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# Latin America Report

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16 February 1983

## LATIN AMERICA REPORT

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## 'TIMID' GOVERNMENT ENCOURAGED THATCHER'S VISIT TO FALKLANDS

Buenos Aires LA PRENSA in Spanish 11 Jan 83 p 8

[Article by Manfred Schonfeld: "The Enemy's Arrogance or Our Own Timidity?"]

[Text] Margaret Thatcher's visit to the Malvinas gives rise to a line of reasoning according to which a half-full bottle is the same (or not the same) as a half-empty bottle. The British prime minister's move has been described as arrogant and insulting, and it undoubtedly is. But at the same time, we cannot but acknowledge that if Margaret Thatcher could afford the luxury of insulting Argentina with a display of her arrogance, it was due, at least to some extent (we feel to a considerable extent), to the timidity that the Argentine Government has shown since that fateful 14 June of last year. Readers should take note that we have been careful to select the word "timidity" [apocamiento] instead of several other, stronger terms, some of which could not be printed here, that we would have liked to use.

## The "Red Alert" That Failed

The readers who are familiar with our view on this matter know that from the time that Puerto Argentino fell, we have maintained what we continue to maintain today, which is the following:

- 1) That in no way should Argentine authorities have interpreted the fall of the port as the virtual end of the war or as the referral of the issue to the "echo chambers for weeping women," which is how we have on occasion defined international forums (the most recent one that we were unfortunate enough to witness was the meeting of the "nonaligned countries" in Managua, under the auspices of Nicaragua's communist regime);
- 2) That the war, therefore, should have been continued with any of the many means that a country like ours has at its disposal vis-a-vis the United Kingdom, especially in the area of economic reprisals, which, in passing, were never fully implemented (not even when our soldiers were dying in the south), so as not to jeopardize local vested interests;
- 3) That if such a policy had been adopted, a latent atmosphere comparable to a permanent "red alert" would have inevitably prevailed (no matter

how strong British nerves are) in both Great Britain and on the outpost of the Falklands Islands Company that has now become a military base on Argentine soil;

4) Finally, that even at the cost of major sacrifices (and luckily there are still officers in our country, especially young ones, who are willing to make such sacrifices in spite of the poor example that some of their superiors gave them in the southern war), the "red alert" would have also become a tangible physical reality for the occupied islands, in the form of a "war of attrition" consisting of air raids or other systematic, unrelenting harassment, not major expeditions but minor incursions, which in the long run are the kind that wear down nerves and erode a spirit of resistance.

#### Britain's Hypothetical Reaction

We cannot say for sure what Britain's hypothetical response would have been. It is possible, if not probable, that London would have tried to attack our mainland coast, for which a country must be materially and spiritually prepared if it knows that its cause is just and has the moral and historic duty to fight for that cause.

But what we can assert is that under such conditions Margaret Thatcher, regardless of how strongly she sees herself as the "iron lady," would have at least thought twice before embarking on her most recent adventure of insulting arrogance.

Under current conditions, with a government like the one that Argentina has today (the only thing military about it seems to be its uniforms and cushy jobs), it is understandable that the British chief of state was able to make her visit in complete calm. Even our intelligence services (which, of course, have more important things to do, such as bugging phones and launching campaigns to intimidate judges) did not find out about Thatcher's presence on the Malvinas until they learned publicly of it from London.

#### Argentina's Reaction: Like Weeping Women

As to Argentina's reaction, we will say it again: It has been that of weeping women. Just as these professional mourners used to go wailing from grave to grave in cemeteries, we too go with our cause and our "woe is me!" from forum to forum, either the meeting of the "nonaligned" (where we can only play into the hands of the communists, because the "nonaligned" countries are communist countries masquerading as something else and not even that well disguised) or else the next round will be at the UN or OAS.

If we understood anything about the "strategy of immediacy," the day after Margaret Thatcher's presence was announced, a number of key targets in the occupied capital of the Malvinas ought to have been turned into

smoldering ruins. But no, we assume that some "hero" might have gotten the idea to burn a British flag in downtown Buenos Aires.

This is how far we go, and thus it is easy for anyone to insult us with his or her arrogance.

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CSO: 3348/180

COMMENTARY ON GROMYKO'S TRIP TO FRG

Buenos Aires LA NACION in Spanish 21 Jan 83 p 6

[Editorial: "Gromyko: From Warning to Threat"]

[Text] The current government leaders of the Federal Republic of Germany, a Christian Democrat-Liberal coalition, have received a visit from Soviet Foreign Minister Andrey Gromyko.

Moscow's most astute and esteemed diplomat has this time, as always, skillfully mixed his proposals, alternating apparent generosity with serious warnings that always bear heeding and, later, threats. This is a way of gradually approaching terminal situations, a customary tactic of the Marxist-Leninist superpower, inasmuch as the Kremlin wants its voice heard not only by its direct audience but also by those who are quite likely to occupy Bonn government offices this March.

The German authorities, beginning with Chancellor Kohl and Foreign Minister Genscher, a Liberal, were the immediate audience. But the Socialist Party's candidate for chancellor, Mr Vogel, and his fellow party members were also listening closely. Gromyko was also looking out of the corner of his eye at the "Greens," to whom he was most studiously addressing his arguments. Their sensibilities jolted by apocalyptic visions of a nuclear holocaust, the Greens are not likely to bother analyzing the signals that the USSR's crafty foreign minister sends out.

The Soviet Union's weapons and the weapons installed to counter them are very long-range. Therefore, aside from his far from minor interest in making an impact in Germany, Mr Gromyko obviously wanted the American president to be familiar in advance with the preconditions that the Kremlin regards as indispensable for any negotiation.

His audiences are different. The Soviet foreign minister's remarks describe a parabola, as would the missiles deployed in Soviet territory, with Europe as the immediate target and the other side of the Atlantic as the ultimate one, because there lies the foundation of the Western alliance.

The Soviet Union, which claims it is peace-loving (though it hardly seems so, try as it might to disguise its aggressive drive for hegemony), wants a parity calculated with deceiving arithmetic as its price for discontinuing its increasingly clear-cut and dangerous escalation. It rejects the "zero option" that Washington has proposed to keep Europe from becoming a firing range on which the Warsaw Pact can test the accuracy of its missiles. With memories of two world wars in less than a century, Europeans are easily taken in by the strategem that Bonn's visitor has employed. Moreover, Gromyko does not overlook that France and Great Britain also have something to lose. At the same time that he hinted at the dangers of war, he cautioned these two countries that their defensive weapons must be added to those that are deployed or might be deployed in Germany. The battle spreads out of control. The psychology takes hold in many European countries as well, encouraged by the sybilline voices of thoughtless or simply apparent pacifists.

Gromyko remains calm and patient. He is not worried that his German hosts have not played into his hands. He then warns and threatens. The USSR will deploy more missiles aimed directly at them. The cards are on the table while the talks in Geneva remain stalemated. The visiting foreign minister colors the future bright red. He has tried to shatter the immediate front in order to weaken the support that his country's main adversary needs for one-on-one discussions. Now that this page of history has been written (because we will have to remember it), Mr Gromyko has returned to his country to prepare the next act.

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CSO: 3348/180

## OCHOA'S REBELLION FAVORS STRUGGLE AGAINST SUBVERSION

Buenos Aires LA PRENSA in Spanish 21 Jan 83 Sec 2 p 1

[Editorial: "Marxist Activitiy in El Salvador"]

[Text] Col Sigifredo Ochoa's unsuccessful rebellion in El Salvador has given that nation much food for thought, and this will strengthen its democracy. Ochoa's avowed goal was the resignation of Defense Minister Jose Guillermo Garcia, whom he accused of acting with a "garrison mentality" in the battle against the guerrillas who are disrupting the country. The government's strategy focuses on population centers, attacking only guerrilla strongholds with 3,000 to 5,000 of its soldiers. In contrast, Ochoa advocates (and has used in his antiguerrilla sweeps) the modern U.S. military tactics of keeping troops on the move day and night in small groups. This approach makes it impossible for the insurgents to know where their enemies are and when and where they will be assaulted. In a way, then, Ochoa's rebellion might help to raise the Salvadoran Government's consciousness, as long as what he was trying to do was push for more effective measures against subversion, not attempt a coup d'etat.

We must realize in this regard that the upheavals besetting the peoples of Central America are being supported by communists in the Soviet-Cuban-Sandinist axis. The violence in the region is several centuries old and has led to many political murders; long practiced by feudal lords, it has more recently been taken up by the communists. Nevertheless, there has been a move towards democracy in El Salvador. Whereas the parties used to try and control a situation with gunfire, they currently lean towards political compromises that exclude communism. Many businessmen, who have customarily stayed out of the political fray, have decided to get involved so as not to lose out. Only an occasional guerrilla approaches the capital, and their attacks in the rest of the country have lost strength. President Alvaro Magana has voiced his optimism about the nation's future ever since the meeting that he held with the representatives of five parties that were elected to the Assembly at the elections last 28 March. He underscored his surprise at the similarity of party platforms, in which "they all affirm democratic principles, a search for economic solutions and respect for human rights."



As a result of this meeting the president proposed a "government of unity" for the 1984 elections, to which the political parties agreed last September. In addition, an election commission has been set up; a new constitution is being drafted; the list of voters is being organized, and a Human Rights Commission was created with representatives from the judiciary, the administration, the Church, organized labor and other sectors. A Peace Commission was also formed to draw up plans for putting an end to the war, and representatives of government and the private sector have been appointed to an economic recovery commission whose purpose is to restore business confidence.

The communists cannot justify their intervention by pointing to poverty in El Salvador, because by the late 1970's the country had developed a substantial middle class and a high-yield agriculture and begun an industrial and commercial economy. Taking its typical approach to penetration, however, Marxism took root among middle-class students in the national university and eventually turned it into a bastion of terrorism.

After much ebb and flow, during which the government tried hard to persuade, the university was raided and its departments and classrooms dispersed forthwith to facilities in distant neighborhoods.

A plan was also undertaken to weaken groups that have been powerful since the time of the Spanish settlers: the Army, with its many factions; the Church, which later played along with the communists; and Salvadoran landowners, who were not forward-looking enough to realize that agricultural diversification would strengthen the nation's political and economic groundwork.

The situation is changing in El Salvador, to the benefit of democracy on our continent. Where there is justice, freedom and work, communism cannot exist. And such a climate can be developed through responsible government decision-making, by eliminating crude personal ambitions (which, as experience tells us, many Latin American nations cannot free themselves of) and by working exclusively for national progress.

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CSO: 3348/180



## ST JOHN: JAMAICA MEASURES WILL HURT CARICOM

FL211930 Bridgetown CANA in English 1822 GMT 21 Jan 83

[Text] Bridgetown, Barbados, Jan 21, CANA--Barbados had objected to what it said was the failure of Jamaica to consult fellow Caribbean Community (CARICOM) member countries on a new currency arrangement that affects trade in the 12-nation English-speaking grouping.

"...What we object to, and what we feel is very important," said Barbados Trade Minister Bernard St John, "is that if you are part of a trading club you cannot take unilateral decisions of this type...without informing the rest of your partners, of course at a very highly confidential level, so that they can assess the situation."

Jamaica this month formalised the parallel currency market, allowing commercial banks to exchange one U.S. dollar for 2.25 Jamaica dollars and upwards except in special cases, where the old rate of 1.78 Jamaica dollars to the U.S. dollar applied.

The lower rate applies to imports of the most basic food items and raw materials for export production beyond the Caribbean Community and stipulated payments. All other payments will be at the parallel market rates.

"Regrettably, these measures that they have taken are going to have a profound impact on trade within the Caribbean, within CARICOM," Mr St John remarked. "In effect, it means that Jamaica has devalued their dollar in relation to the Eastern Caribbean dollar in so far as imports from the Eastern Caribbean are concerned.

"In short, if Barbados, Trinidad or Guyana export to Jamaica now, the goods that we export would be more expensive in relation to the Jamaican dollar than they were before now."

The new currency regulations were discussed in Guyana this month during a meeting of the CARICOM Council of Ministers, which Mr St John attended.

"I don't think that anybody left the conference in any doubt that any talks of Jamaica having made a recovery is absolute nonsense," he said.

"The Jamaica minister himself explained that Jamaica was in a very, very serious foreign exchange position, that they saw no hope of closing the gap which they expect for this year unless they take very, very serious measures."

The Barbados minister said the two-tiered exchange system in Kingston would have a "profound effect" on the settlement system incorporated in the CARICOM multilateral clearing facility, through which trade payments are cleared, on trade, and on tourism.

"I believe that there should be an immediate meeting of the multilateral clearing facility for one, and the ministers of finance of CARICOM," he said.

"What has happened over the course of the last five years is that there has been a tremendous change in level of currencies, the relative values of currencies, and all of the common external tariff has been affected by this. So that an in-depth examination of this has to take place immediately."

"It is a matter of great urgency."

In announcing the new currency arrangements, Jamaica Prime Minister Edward Seaga also said he was scrapping the need for importers to obtain licences.

"Some manufacturers in Barbados and Jamaica had complained that the Central Bank in Jamaica would grant a licence only on terms and conditions that somebody give them 360 days credit or 180 days credit," Mr St John remarked. "Apparently, that is no longer going to be required."

"In our discussion on this--both Trinidad and Barbados and others--it seemed to us that the Jamaica manufacturer now in his own market has an advantage because we are told that the Jamaica Central Bank is going to guarantee him his raw material at the old rate so he will not be feeling the effects of the devaluation."

"But his competition from all countries...will find that their goods, through no fault of their own, have increased in cost to the Jamaican consumer. Obviously, we will be studying the impact of this because the trade that we have with Jamaica from the point of view of exports is about five per cent of our total exports this year..."

Barbados would also have to assess whether or not "we can compete now with Jamaican domestic manufacturers in their own manufacturing market, bearing in mind that they have an advantage over us."

Mr St John added: "As far as I recall, two-tiered exchange control systems have not been successful."

"When pressed on the reason for (the introduction), the Jamaica representative said that Jamaica found itself (in a position) where the government

has not been able to benefit from the increase in the numbers of tourists that have come to Jamaica or the increase in export trade which they are led to believe has taken place.

"They have said that the reason why they haven't benefitted from this is that the foreign exchange has not gone through the official system. It has gone through the street market and what they are doing, frankly, is to set up the commercial banks in competition with the street traders..."

CSO: 3298/1191

## REPORT ON TRADE WITH CARICOM PARTNERS

FL272234 Bridgetown CANA in English 1909 GMT 27 Jan 83

[Report by Irvine Reid]

[Text] Bridgetown, Barbados, Jan 27, CANA--Barbados today reported a 9.9 million dollar (1 Bds dollar; 50 cents U.S.) increase in its exports to the Caribbean Community (CARICOM) during the first eight months of last year compared with the same period in 1981.

Figures released by the state-run Export Promotion Corporation (EPC) showed that during the period January to August 1982, Barbados' export sales to its 11 other CARICOM partners had totalled 85.2 million dollars, compared to 75.3 million dollars for the corresponding period in 1981.

The bulk of the island's exports went to Trinidad and Tobago, bringing in 51.2 million dollars in revenue compared with 35.4 million dollars for the January-August period in 1981, an increase of 15.8 million dollars.

The EPC said while Barbados exports were up, imports from the region fell by 19.2 million dollars from 121.7 million dollars in 1981 to 102.5 million dollars last year.

It added that imports from Trinidad and Tobago during the first eight months of last year were down by 17.4 million dollars, when Barbados imported 72.9 million dollars in goods compared with 90.3 million dollars in 1981.

Barbados' exports to Jamaica during the period under review declined from 13.3 million dollars in 1981 to 12.1 million dollars last year, while imports increased from 16.6 million dollars to 17.2 million dollars last year.

Export sales to Guyana totalled one million dollars compared with 2.1 million dollars in 1981. Imports also declined to 4.2 million dollars from 5.4 million dollars in 1981.

For the period January to August 1982, exports to Antigua and Barbuda fell to 2.7 million dollars from 3.2 million dollars in 1981, while imports were 910,000 dollars as against one million dollars the previous year.

The EPC said Barbados' exports to Dominica during the said period were down to 2.1 million dollars compared with 2.6 million dollars in 1981. Imports also declined to 292,000 dollars from 803,000 dollars in 1981.

Exports to Grenada decreased from 3.1 million dollars in 1981 to 3.2 million dollars last year, [as received] while imports declined from 655,000 dollars in 1981 to 581,000 dollars last year, the state-run agency added.

Exports to St Kitts-Nevis during the first eight months of 1982 registered a slight decline, falling to 1.8 million dollars from 1.9 million dollars in 1981. Imports also declined at the same time by a whopping 356,000 dollars, dropping to 28,000 dollars from 384,000 dollars the previous year.

Barbados' exports to St Lucia declined by 2.1 million dollars from 7.7 million dollars in 1981 to 5.6 million dollars last year and imports from 3.4 million dollars in 1981 to 3.3 million dollars last year.

Export sales to St Vincent declined from 4.9 million dollars in 1981 to 4.3 million dollars last year while imports increased from 2.2 million dollars in 1981 to 2.4 million dollars last year, the EPC said.

CSO: 3298/1191

VENEZUELAN AMBASSADOR COMMENTS ON TRADE

FL272221 Bridgetown CANA in English 2035 GMT 27 Jan 83

[Report by Irvine Reid]

[Text] Bridgetown, Barbados, Jan 27, CANA--Outgoing Venezuelan Ambassador to Barbados Ivan Gabaldon says he would like to see an increase in trade between the two countries.

"I think that this is one of the areas that needs improving. There is a lot to be done on both sides to improve trade," he told CANA in an interview.

Mr Gabaldon, who assumed duties here three years ago, however said he recognised there were many obstacles in the way of improving trade between Barbados and Venezuela.

One of the main problems, the outgoing ambassador said, was the easy availability of transportation. "Once this is overcome, I don't see any problem of (Barbados) increasing (its) exports to Venezuela," he added.

Barbados' export sales to Venezuela during the first eight months of 1982 totalled 165,000 dollars (one Bds dollar; 50 cents U.S.) compared with 86,000 dollars in 1981, according to the latest official statistics.

Venezuelan exports to Barbados over the same period increased from 42 million dollars in 1981, to 43.9 million dollars last year. Petroleum is Venezuela's main export here.

Mr Gabaldon, who is returning to Caracas on Saturday, said the problem of transport was holding up the opportunity of Barbados improving its trade relations with his country.

"We realise the problem but it seems that both sides are finding it difficult to solve," he told CANA.

CSO: 3298/1191

## BRIEFS

EASTERN CARIBBEAN EEC DELEGATE--St Johns, Antigua, Jan 18, CANA--The newly accredited European Economic Community (EEC) delegate to the Eastern Caribbean Mr Yohan Thora today began a familiarisation visit to Antigua by paying courtesy calls on Prime Minister Vere Bird, and Deputy Prime Minister Lester Bird. The EEC delegate has also been having talks with officials of the country's Ministry of Finance. Reliable sources here have indicated that the talks will cover EEC assistance to Antigua and Barbuda. Mr Thora has already visited St Kitts-Nevis where he had talks with the Kennedy Simmonds government. [Text] [FL190100 Bridgetown CANA in English 2210 GMT 18 Jan 83]

TOURISM EARNINGS DROP--Bridgetown, Barbados, Jan 20. CANA--Barbados' earnings from tourism last year were down roughly 14 per cent on revenue for the previous year, highly placed government sources reported today. The drop, the sources said, was linked to a fall in tourist arrivals, and recession in major Western countries, including Canada, the United Kingdom, West Germany and Europe. In 1981 Barbados earned 526 million dollars (one Bds dollar: 50 cents U.S.) from tourism. Barbados tourist arrivals for the first 11 months of last year declined by 13.5 per cent. In the same period in 1982, 274,887 holiday-makers visited the country, compared to 317,898 for the same period in 1981. Central Bank sources said tourist travel from some areas suffered as their currencies depreciated against the U.S. dollars. [Excerpt] [FL210135 Bridgetown CANA in English 2201 GMT 20 Jan 83]

CSO: 3298/1191



## MILITARY DISCIPLINE, COMBAT READINESS DISCUSSED

Havana VERDE OLIVO in Spanish 25 Nov, 2 Dec 82

[No 47 25 Nov 82 pp 30-33]

[Issues of Military Psychology and Pedagogy: Article by Maj Roberto Hecheverria Stable: "Military Discipline as a Quality in Combatants"]

[Text] Military discipline is an objective phenomenon that can and should be analyzed in accordance with various criteria. In our judgment, the best approach for delving into its mysteries is to view it as a sociopsychological phenomenon.

When we take this approach, we must do so on three levels. The first demands that we consider it as a general sociopolitical and moral phenomenon, that is to say, on the societal level in its interaction with all of the elements of its superstructure. In the second place, we view it as a sociopsychological phenomenon that exists in the life of the micro-environment, acting reciprocally with all of the elements of a military group's psychology. Thirdly, we view it as a character trait in a combatant.

When discipline is analyzed on these three levels, we clearly realize its complexity: the many links and interactions among the multiple elements that determine its nature, content, orientation and form.

In this article we will analyze the third aspect; in other words, we will consider discipline as a quality in a combatant's character.

In doing this analysis, we will be using the term "disciplined," which refers to the politicomoral and combat quality that enables a person to conduct himself in accordance with the moral requirements and standards of military life.

Discipline is closely linked to all of the elements of a combatant's psyche. It reflects this interrelationship better than other traits, which means that we must ascertain which elements constitute it and how this phenomenon comes about.



It is closely linked to knowledge, the mental element that represents the groundwork for discipline. Discipline is based above all on political and ideological knowledge, and hence the significance of mastering the laws of social development, the policies and tasks of our party, the role of the Armed Forces in defending socialism, the demands that society makes on the individual and the standards of communist ethics.

As a person gains a familiarity with and assimilates the given requirements for life in socialist society, they gradually become a system by which that person makes demands of himself, demands whose fulfillment becomes a vital necessity to him.

Technical military know-how is also of great importance. This has to do with the demands posed by the study and combat use of new weapons and equipment.

The satisfaction that a soldier feels when he thoroughly studies and can efficiently use his combat equipment under any conditions is an incentive to him to meet the standards of conduct of military life with increasing thoroughness.

A combatant's familiarity with the substance of the military oath and with the regulations, orders and duties inherent to his post plays a major role in disciplined behavior. Experience shows that discipline is violated on many occasions due to a lack of familiarity with or a superficial knowledge of the documents that contain the standards and demands for each category of work.

This wealth of information is of little use if it merely stored in a person's memory and not used in practice. Knowledge plays an active role in developing discipline when a combatant makes use of it in his daily activities and employs it to perfect his conduct.

The above idea is based on Lenin's view that "...without work, without struggle, a book knowledge of communism acquired in communist pamphlets and writings is of absolutely no value" (V.I. Lenin, Vol 11, pp 204-205, of works in 12 volumes).

Lenin's assertion carries great meaning, because it demonstrates that the moral and educational aspect of knowledge lies in its unity with the military reality surrounding us. It should also motivate training officers to transform knowledge from a condition for discipline into a factor of which a soldier is constantly aware in his conduct. This is an ongoing task for the training officers in our Revolutionary Armed Forces (FAR).

Another element of great importance is convictions. In order for a person to be disciplined, he must possess convictions that rest on the scientific knowledge he has acquired.

Only on the basis of a strong awareness and deep-seated convictions can a person develop meritorious conduct and solid habits of always abiding by the law, the military oath and regulations and the orders of his commanders. Therefore, all of the instructional and educational efforts of chiefs and political workers must aim at enabling combatants to use their knowledge to develop a Marxist-Leninist view of the world and deep-seated convictions by which to guide their everyday activities.

Convictions thus acquired are a compass for proper conduct on the part of combatants and the moral basis for all their actions. When they spring from a communist philosophy, such convictions determine a soldier's relation to his military duties and demonstrate to him the need to unfailingly fulfill the pledge he has made to the socialist homeland.

Such convictions motivate a combatant to pursue disciplined conduct, to enhance his combat mastery and to perform his service duties.

This is why chiefs, political workers and the party and UJC [Union of Young Communists] organizations must focus their efforts on developing sound political, ideological, moral, esthetic and legal convictions in personnel.

Political and ideological convictions are reflected in faithfulness to the ideals of socialism and communism, love for the socialist homeland, hatred for the enemy, an internationalist spirit and a readiness to defend the accomplishments of the revolution. These are precisely the convictions that inspire combatants to perform their military duties.

Moral convictions are in themselves the guiding principles of social conduct. They coincide with the standards of socialist ethics, which consist of the set of demands that society makes on the individual. In the FAR, the standards of communist ethics are expressed in the military oath and regulations.

Instruction in ethics in the military consists of efforts to develop moral convictions and sentiments and sound, positive habits that will enable soldiers to do their military service in strict compliance with regulations.

Esthetic convictions have to do with the capacity to perceive and understand the beauty of military life. When combined with political, ideological and moral convictions, they are a stimulus for patriotic acts, strict compliance with the demands of military discipline and speaking out against violations of the military order.

The stronger and more broad-based esthetic convictions are, the richer will be a soldier's inner world and the less understandable will be violations of the established standards of conduct.

Legal convictions are acquired through a knowledge of law, regulations and other judicial documents. Each member of the FAR must have an

in-depth knowledge of these regulations and must be convinced of the need to comply strictly with them in the military, because otherwise a high level of troop combat readiness cannot be assured.

It was not by chance that in order to maintain the workers' and peasants' capacity for struggle in the war against the interventionists and counter-revolutionaries, Lenin called on them to "comply, not out of fear but willfully, with all of the laws concerning the Red Army, with all orders, to maintain discipline at all costs" (V.I. Lenin, "Complete Works," Vol 29, p 545).

The convictions that have become rooted in the consciousness and character of a combatant in the form of standards for disciplined conduct cause him to behave in accordance with established rules and to actively help his chief in strengthening order and organization in a unit or small unit.

When such convictions do not exist, combatants do not realize the need to always comply with regulations and not to ignore the interests of the group, thus leading to violations of military discipline.

In analyzing the importance of this element in forging a disciplined character, we should bear in mind that convictions are developed more slowly than a specific piece of information is assimilated.

The process of transforming knowledge into convictions is complex and contradictory, thus requiring patient, purposeful efforts on the part of training officers.

It is not unusual to see contradictions emerge in everyday life between one element and the other, between the notion of how to act and actual conduct.

When this occurs, it is an indication that educational efforts have not been all they should be and that the role of convictions in the development of discipline and an individual approach to this trait has been underestimated.

We must not forget that on occasions, as a result of unfavorable conditions during personality development and/or negative influences in the immediate environment, the military service takes in youths who harbor false convictions and some of whom are prone to negative courses of conduct.

In such cases, the most experienced chiefs and political workers pinpoint these youths and organize educational work with them in which group conditions are employed in particular.

Highly influential as well are habits, which can be defined as that which a person does automatically. The purpose of military exercises is to develop habits so ingrained that actions are eventually performed correctly, rapidly and easily.

Based on the above, we can assert that when a habit leads to disciplined conduct, it facilitates action that reflects a mastery of the demands posed by military legislation, oath, regulations and standards.

Habits have to do with intellectual activities (clarifying the demands of discipline, standards of conduct, making on-the-spot decisions under varying conditions), sensory activities (operating equipment, etc) and motor and reflex actions (saluting, movements in formation, procedures with weaponry and equipment). All habits are interrelated and condition each other.

In analyzing their importance for the simultaneous, synchronized action of Armed Forces, Engels emphasized the following in his work "Company Training Exercise": "Until each soldier has assimilated his military instruction to the point that he performs each movement ordered of him almost automatically, the battalion will not move with any assurance. A soldier who has to search his memory or rack his brains to understand what he must do pursuant to a given order, harms his battalion rather than helps it."

The FAR currently possess a wide range of complex armaments and equipment that demand great precision and rapidity of operation from combatants. Soldiers who possess sound, flexible and deep-seated habits perform accurately, confidently and flawlessly. Such habits prevent their attention from becoming needlessly distracted and help them in complex situations to focus on the fundamental aspect of the task at hand.

Soldiers who lack such habits act, as a rule, without confidence and uneasily and make many mistakes, which has an adverse influence on the combat readiness of a unit, small unit or ship.

Discipline depends a great deal on the customs that develop as habits become a strong internal force among soldiers. The more positive customs a soldier has, the sounder will be his conduct.

An action motivated by custom is performed readily and without any special effort of the will. For example, the required salutes have become a habit with some soldiers, whereas others, among whom it is not, find this quite difficult.

The many facets of military service demand that personnel develop a whole system of sound habits of disciplined conduct. They must develop habits such as: precision, punctuality, preparation every day for classes, etc, proper and voluntary compliance with the rules for using combat equipment, mobilizing to perform any activity with which they are entrusted energetically and promptly, carrying out the docket, taking care of weapons and other equipment, doing guard and garrison service, observing standards of conduct in relations with superior officers (listening attentively to the orders and instructions of chiefs and carrying them out promptly as well as reporting on their completion, observing the rules concerning unconditional obedience to one's commander and others)

and in relations with comrades of the same rank (being polite, attentive and kind in dealings, helping each other, etc).

Without the above it is impossible to successfully perform the duties and meet the demands of military service, to cope with a combat situation in a given environment, to constantly enhance one's combat mastery, to care properly for weapons and equipment, to establish proper relations according to the rules, to develop teamwork and, logically, to perform the complex missions that the military poses in both peacetime and wartime.

The development of sound habits that guarantee discipline enables soldiers to forge a stable lifestyle, to comply with regulations every day and to carry out the orders and instructions of their commanders. A harmonious and permanent system of educational influences is needed to achieve this. For example, the docket in each military group must be precisely and unwaveringly carried out. The troops will thus respond energetically and promptly when they hear the cry "Attention!", and when they are summoned for morning formation, inspection, classes and other activities.

Skills are a very important part of discipline. Experience shows that even if a soldier is familiar with his duties and convinced of the need to comply strictly with the regulations, if he lacks the necessary skills, he could commit errors, be guilty of negligence or violate service requirements.

Skills reflect a soldier's ability to purposefully and creatively apply his know-how and habits under varying service and combat conditions. They reflect a superior mastery of procedures and techniques. Thus, when we say "a skillful soldier," we mean one who stands out for his high level of know-how, solid habits and readiness to take action in the most complex situations with a high degree of awareness, creativity, promptness and precision.

Skills make for disciplined conduct and are reflected in a conscious and strict compliance with society's laws and standards, as well as the regulations, oath, orders from superiors and, in general, the duties assigned during military service. They are developed during the instruction, education and psychological training that combatants receive, on the basis of know-how and habits (but they are not the sum total of the latter). Their psychological basis is an understanding of the inter-relationship among the objectives, conditions and methods of performing missions and they reflect the creativity of the individual.

We have seen that know-how, convictions, habits, customs and skills are interdependent and closely linked in their influence on a soldier's performance.

Logically, the most important element is know-how, because this is the groundwork for developing the others.

For this reason, the more in-depth a combatant's knowledge is, the more successfully he will develop the convictions, habits, customs and skills that will enable him to pursue the proper course of conduct, perform well and display a high degree of discipline and organization in any situation.

[No 48 2 Dec 82 pp 36-39]

[Issues of Military Psychology and Pedagogy: Article by Maj Roberto Hecheverria Stable: "The Influence of the Psyche on Disciplined Behavior"]

[Text] Discipline is closely linked to other elements such as feelings, will power and psychological traits.

Feelings reflect how a person relates to everything around him, are displayed in specific courses of conduct and orient the individual in his environment. Man occupies a place in relation to objects and phenomena, and hence his emotional reaction to them is going to largely determine whether he behaves properly or improperly.

Experience shows that feelings inspire certain actions. For example, a combatant's feeling of gratitude in reaction to the confidence that his commander has placed in him will inspire and motivate him to perform actively and with initiative and to make it a point to carry out properly each task with which he has been entrusted.

A feeling triggered by an insulting word or action could, in contrast, cause a soldier to commit violations as a form of protest.

Observations and analyses undertaken in small units on the behavior of combatants have shown that their emotional state has a major influence on their actions, both during free time and on duty.

This stands to reason, because for the most part emotions in one way or another are displayed in concrete action.

It is thus very difficult to talk about a person's performance without considering his psychological state at a given moment.

Complex, higher feelings exert great influence on the life of a combatant. Foremost among these are the politico-moral feelings that emerge along with the development of an ideological awareness.

They include: faith in communist ideals, love of country, hatred for the enemy, internationalism and other sentiments that will dictate a soldier's behavior in the most complex conditions and enhance his willingness to perform heroic acts and to maintain a high level of discipline.



Other feelings that have to be considered relate to military ethics (military service, joint military efforts and others). These feelings manifest themselves in combat situations and in the event of natural disasters, combat guard duty, maneuvers, garrison service, guard duty and other activities.

These feelings are guided and developed during the process of instruction, education and psychological preparation that is carried out in the units, and they have a major influence on the development of political, moral and combat qualities, discipline in particular.

A combatant's intellectual sentiments are of great importance for his disciplined behavior, and they manifest themselves during his activities in the form of interest in the assignment handed out and in the service in general. When they reach a certain level of development, they are an effective stimulus for acquiring new knowledge and for displaying creative initiative in military and social activities. The stronger, more deep-seated and effective they are, the more active and organized will be a combatant's course of conduct.

Esthetic feelings exert a major positive influence on the lives of soldiers. A soldier who has developed such sentiments generally stands out for his punctuality, will power, politeness, good behavior and grooming, neatness, etc. They prompt a concern for fulfilling functional duties and for taking proper care of weaponry and equipment.

To develop esthetic feelings, we must pursue the party's policy in this area, which was outlined by its Second Congress. On the one hand, we must publicize our outstanding literary and musical works as well as the general accomplishments in this field, and, on the other, struggle with resolve against the distorted, twisted and deviant esthetic tastes that some youths joining our FAR might possess.

A combatant's discipline depends to a great extent on how developed his will power is. Will power enables him to guide his actions and comply strictly with the rules and standards of conduct contained in laws and regulations.

We must remember that each rule or standard of conduct for soldiers has a specific objective.

In the military service, whose basic feature is the constant surmounting of difficulties and the execution of actions under complex, constantly shifting conditions, we can hardly expect disciplined behavior from a person who does not possess the necessary will power.

A person with will power does not only show firmness and perseverance in the pursuit of a goal and maintain his self-control in the face of danger, but he also is able to contain himself and not act improperly. We must not forget that as Makarenko stressed, a strong will means not only achieving what one wishes but also doing without it if this is useful to the group and to society.

In military life, where on many occasions one must perform tasks and missions of responsibility far from one's commanders and comrades, where one must deprive oneself of many desires, will power is extremely important. It enables a small unit to maintain strict order according to the regulations and to demand proper mutual relations.

The combatants who do not have a well-developed will power generally are not disciplined, commit infractions, are guilty of negligence, behave crudely towards their comrades, etc.

Will power is developed by surmounting difficulties. A small victory over one's own weaknesses makes a person stronger and prompts satisfaction and joy, as well as being an inspiration to improve every day.

It is not by chance that will power is called the soul of discipline. The development of will power is an essential task that is carried out during combat, political and psychological training and during all the missions and activities assigned to personnel.

In order for chiefs and political workers to constructively influence the development of their subordinates' will power, they must know how developed it is initially.

Chiefs and political workers must realize that rather than taming a combatant's will, they should provide him with the opportunity to develop his strengths and to control his behavior and surmount difficulties and obstacles when performing an action that requires discipline.

If a man does not have the will power that will enable him to set socially significant goals for himself, to make the corresponding decisions and to subordinate his conduct to such goals, he will not be victorious in the struggle that life entails and, therefore, will not be disciplined.

Finally, we will analyze the relationship between discipline and a combatant's psychological qualities. We will look first at the role that orientation plays in this regard.

This has a preponderant place in the general structure of a person's personality and influences his substance and social and moral values. Orientation is determined by the needs, the concepts and the system of motives that dictate a soldier's behavior. Let's take a look at motives.

Motives are determined by the material and spiritual demands placed on a person and by the major influence of his conception of his command. This means that motives are positive forces and act as a strong inner force for doing what needs to be done at a given moment, when the needs to be met have been correctly interpreted and when the scientific approach discharges its true orienting and regulatory function.



Motives can consist of goals being pursued, interests, desires, intentions, ambitions, inclinations, ideals, convictions and others. They can be secondary or essential, individual or social, simple or complex, weak or strong, negative or positive, ideological, political, moral, esthetic, intellectual, professional, etc.

Under the motivating influence of one or several of them, a person directs his energies towards a certain activity, thus giving rise to psychological states (activity, passivity or indifference) that are of great importance in military activity.

Experience shows that of two courses of conduct with identical social results, one of them, depending on the motives for it, reflects a higher degree of inner discipline. The following example bears out this assertion.

Two soldiers are performing guard duty well. Does this mean that the two possess the same level of conscious discipline? No. One of them, say, performs his duties diligently in response to incentives (furlough, praise, recognition, etc); otherwise, he will no longer perform so well. The other, without such incentives, does his job with great zeal and responsibility because he is convinced that it is necessary.

If we look only at the outward aspect of their performance, there is no difference between them. However, their motives are not of the same social significance.

The former is motivated by the desire to receive rewards, and when he achieves these goals, the motivations for his good performance disappear. The latter, in contrast, will always act under the influence of stronger motives.

We can thus see that when we want to develop discipline in a person or when we wish to ascertain if a person is disciplined, we cannot go by outward appearances. We must delve into the reasons for a person's behavior.

An individual's motives are closely linked. One of the most important things that commanders, political workers and party and UJC organizations must do is find the element that has most influenced the conduct of a soldier and either eliminate or strengthen it, in order to develop discipline in him and thus bolster the small unit.

In this regard, priority attention should be accorded the development of the motives that effectively enhance the combat capacity and readiness of units and small units.

FAR educators must clearly realize that if they are familiar with a combatant's orientation, they can quite accurately predict his outlook on life and his general behavior and, in particular, they will be able to tell what will motivate him in this or that situation.

The second property that we are going to discuss is character, which is indissolubly linked to a soldier's conduct. This element of the psyche consists of all the stable personality traits that reflect a person's relationship to reality and that manifest themselves in his conduct and actions. Therefore, a knowledge of an individual's character enables us to judge his actions under the various conditions of life in the military.

Character is influenced by the social conditions in which an individual has lived. A person's development begins in infancy, and therefore young people join the Armed Forces with many ingrained traits.

But this formative process continues more actively in the units, because military service demands strict discipline, which helps a young person to overcome obstacles, difficulties and privations; to subordinate himself to a common goal and to live under conditions that will result in the enrichment and strengthening of the positive elements of his character and the elimination of its negative elements.

The character traits that contribute the most to proper conduct in soldiers are: a principled attitude towards society's problems, how he relates to others and to himself, honesty, frankness, industriousness, the willingness to take action at any time, firmness, a rejection of shoddy work, indolence and indifference, criticism and self-criticism, sociability, sensitivity in human relations, teamwork, loyalty, joviality, personal organization, etc.

A combatant who has sound principles in dealing with the problems around him and in dealing with himself makes no concessions to himself or to his comrades and brooks no compromises with service-related duties. Honesty, frankness and industriousness enable him to perform these duties as well as possible. Other traits are very helpful, for example, in establishing proper mutual relations, in developing teamwork, in performing missions with a high degree of cooperation and in anticipating and preventing infractions and violations.

An unprincipled attitude, laziness, dishonesty and individualism adversely affect the combat readiness and capacity of small units, because mistakes, indifference and indolence are not combated; difficulties are shirked; there is no spirit of sacrifice; shoddy work is concealed; deception is deliberately practiced; an atmosphere of deceit is created, and the group's members do not cooperate in their main tasks.

In order to make maximum use of the objective conditions that military life offers in developing character, chiefs and political workers must study in detail the individual traits, both positive and negative, of each subordinate. Only in this way can they perform effective educational work.

The third element that we will consider is temperament. This reflects the individual's distinguishing mental and physical characteristics, which are relatively constant regardless of the substance and goals of the activity he is engaged in.

A commander must realize that as a rule subordinates do not possess a single type of temperament, but rather a mix of different characteristics. Of course, a group of them is predominant. We should note, moreover, that such characteristics are largely determined by character and education and that they are in no way paramount in dictating whether a soldier will be disciplined or not.

The four traditional categories of temperament are: sanguine, phlegmatic, choleric and melancholy. The characteristics of each are highlighted in a combatant's actions. For example, prolonged, repetitive work is more difficult for a sanguine or choleric temperament than for a phlegmatic one. The former have greater psychological difficulties than the latter in doing such work.

If the work demands dynamic action and quick changes, etc, then the psychological difficulties increase for the phlegmatic person, whereas the choleric or sanguine individuals will feel more in their element.

Furthermore, a melancholy person, who is extraordinarily sensitive to external stimuli, is at times deeply hurt by life's happenings (temporary setbacks, abrupt behavior towards him, etc), whereas individuals with different temperaments react otherwise to them.

All of this influences the conduct and discipline of a soldier. Therefore, in analyzing their specific behavior, both chiefs and political workers must take their characteristic temperaments into account and determine whether they have been a positive or negative influence.

With this in mind, they must also determine under what conditions certain traits are positive and others are negative and, accordingly, implement measures to bolster the former and eliminate the latter.

Such measures, of which there are many, play a major role in the instruction, education and general life of military personnel; one of them could simply be to take a soldier's predominant temperament into account when assigning him to a post or simply dealing with him.

The other element that strongly influences a combatant's discipline is his capability, which consists of the psychological qualities that enable him to assimilate with greater or lesser rapidity and efficiency the knowledge, habits and skills that he needs to perform one or several activities well.

These qualities are necessary in military life, but when they are inadequately developed, they are a source of difficulty that could degenerate into adverse feelings about professional duties.

If the subordinate possesses other qualities such as willingness, determination, etc, we can more clearly see his capabilities being manifested during the acquisition of professional skills.

The commanders at various levels must remember that the young people doing their military service possess a specific level of general schooling and that although this does not rigidly dictate their potential in the various military specialties, it is a good basis for superiors to guide their educational efforts and for the youths to maintain a disciplined attitude.

General schooling is of unquestionable importance to the FAR, first of all because it conditions behavior, which should be based on an accurate, in-depth understanding of the realities surrounding us and of the social significance of every action, and on an awareness of the importance of complying with regulations, and secondly, because it enables soldiers to master the use of combat equipment. The higher a youngster's level of schooling is before he joins the Armed Forces, the more successful he will be in mastering the tools of his trade, and, therefore, the stronger his emotional reactions will be, which will enable him to relate more positively to the requirements of military life.

We are thus reaffirming the idea that discipline as a moral and combat quality begins to develop before the call to arms, that is to say, within the family, at school and in other social settings.

It is not an accident that the report to the Second Congress stresses that the recruitment policy charted by the First Congress must be consolidated: "...setting the draft age at 18 or 19, so that youths can complete the higher intermediate level of schooling and attain the psychological and physical maturity that will make it easier for them to perform their military service."

We should note here that capability-related problems can be eliminated during the instructional process if the training officer is skillful enough to accurately assess the capabilities, knowledge, habits, skills, inclinations and aptitudes of his combatants and makes the best use of them for the benefit of the service and to develop their personalities.

We have analyzed, though not thoroughly, the relationship between discipline and the mental characteristics of individuals. We have seen how complex discipline is and how many internal, subjective elements are involved in it.

Developing discipline is a very complex educational process. Makarenko quite accurately saw discipline as the general result of educational efforts as a whole. He acknowledged more than once that conduct results from awareness, from familiarity with a problem, from will power, customs, habits, adaptation, courage, health and social experience. In other words, he saw discipline as a synthesis of the essential personality traits, as the outcome of comprehensive personality development.

It is the degree of psychological development that is going to enable each member of the FAR to display his conscious internal training,

his ability to control himself, to show firmness, to take timely note of mistakes and shortcomings and correct them without waiting for instructions from his superiors or remarks from his comrades, to be demanding with himself, to be self-critical of his performance and to be aware of his personal responsibility for the successful execution of the missions assigned him and his unit.

Analyzing the complex problem of discipline as inner strength, Commander Ernesto Guevara stressed in his work "The Morale and Discipline of Revolutionary Combatants":

"We are trying to give our rebel armed forces the minimum mechanical discipline they need to function harmoniously as large units, along with a maximum of inner discipline, which stems from the study and understanding of our revolutionary duties. Today as yesterday, although a group exists for the specific purpose of punishing violations, discipline cannot be entirely assured through external mechanisms; it must be achieved through an internal desire to correct all mistakes. How is this accomplished? It is the ongoing duty of revolutionary instructors to publicize the great national rallying cries within the ranks of our army."

From these remarks we can clearly see that the most important thing is inner discipline, whose source is conviction derived from the study and grasp of duties and from the patient educational efforts of commanders, political workers and officers in general.

This article is of great methodological importance to all of us because it gives us a comprehensive approach to the study of the internal factors that determine whether a soldier will be disciplined or not and it helps us to ascertain accurately what educational methods and tools are most appropriate in developing conscious military discipline in our men.

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## ICAP VICE PRESIDENT REPORTS ON FRG, SWISS VISIT

Havana BOHEMIA in Spanish No 50, 10 Dec 82 p 49

[Report by Reinaldo Penalver Moral for the "In Cuba" section]

[Text] Mario Rodriguez, vice president of the Cuban Institute of Friendship with the Peoples (ICAP), told the reporter for "In Cuba" that "while the North American imperialists have stepped up their activity against the Cuban Revolution or have increased their intervention against liberation movements in Central America and the Caribbean, the Western European associations for friendship with Cuba have intensified their acts of solidarity with these peoples."

The foregoing statement was made by the ICAP leader on his return from a trip to Switzerland and the Federal Republic of Germany (FRG) in response to an invitation from the 13 associations for friendship with Cuba in Western Europe, which were holding their annual review meeting.

He said that during his trip to Switzerland he had had the opportunity to travel through its cantons (provinces). In each of them, he said, the Cuban delegation had the opportunity to witness the high quality of the solidarity-oriented work being done.

He also noted that it was very encouraging that these associations include groups that are not necessarily political but are joining in these acts of solidarity in opposition to North American intervention: physicians, clergymen, and teachers, "who simply admire and ardently support the work done by the Cuban Revolution in their respective fields."

Rodriguez went on to state that in Switzerland a well-attended meeting of the Swiss-Cuban Friendship Association was held. There all the work done in 1982 was reviewed, and those present reaffirmed the policy of breadth within member clubs to achieve greater representation of the social and political groups involved in the country's life.

Elsewhere in the interview he said that the Swiss-Cuban Friendship Association is working very closely with the Anti-Intervention Movement, made up of different organizations for solidarity and friendship with other countries, especially those in Central America and the Caribbean.

Concerning this, he said that this movement includes thousands of people from all groups, although most are students: "I had the opportunity to witness its strength and combativeness during a ceremony held at the University of Zurich to commemorate Che's falling in battle," he indicated.

"During this ceremony there were speeches by representatives of El Salvador, Nicaragua, and Chilean Unity, and we spoke for Cuba. Each speaker emphasized the need for unity as the chief factor in achieving or maintaining victory.

In response to questions about the Cuban delegation's activities in the FRG, he answered that they had visited several branches of the German association for friendship with Cuba. He had been very impressed by their vigor, especially that of the one in Frankfurt.

He noted that in Hamburg, where the association's annual gathering was held, and in Bremen they had the opportunity to experience how the union leaders from the different sectors gave strong indications of solidarity and support for our Revolution.

During the trip, the Cubans were able to discover everyone's eagerness to learn about the reality and the problems of the Central American peoples, "since"--Rodriguez said--"they're subjected to a genuine barrage of misinformation by the media."

"These contacts were so fruitful," he continued, "that in mid-December we're going to be visited by a large group of union members from Bremen, composed of representatives of various political groups, so that they can continue their talks with us and have direct contact with the reality of our Revolution and the situation in Central America."

"They belong to different groups that represent thousands of workers who are now suffering from unemployment resulting from the present capitalist economic crisis."

During the interview, Rodriguez spoke of the success of the annual meeting of the FRG-Cuba Friendship Association, in which a great deal was accomplished concerning description of the Cuban reality in Western Europe.

Those taking part in the meeting included representatives of associations for friendship with Cuba in Switzerland, Norway, West Berlin, Austria, France, Great Britain, Belgium, Spain, Finland, the Netherlands, and the host country, as well as the Cuban delegation.

Finally, the vice president of ICAP stated that while in transit the Cuban delegation spent 3 days in Czechoslovakia, where their host was R. Hromadka, secretary general of the Czechoslovak Association for International Relations, along with M. Novak, vice chairman of the Czechoslovak-Cuban Friendship Committee and chief of staff of the People's Militia, and Kedykova Veslava, secretary of the aforementioned association.

In addition to Mario Rodriguez, the Cuban delegation consisted of ICAP officials Ricardo Rodriguez, chief of the Western Europe Department, and Gabriel Benitez, area specialist.

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## PARTY CONGRESS IDEOLOGICAL STRUGGLE ISSUE REPORTED

Havana GRANMA in Spanish 6, 8, 11, 15, 17 Jul 81

[Resolutions approved by the Second Cuban Communist Party Congress; date and place not specified]

[Part I: 6 Jul 81 p 2]

[Text] The Second Cuban Communist Party Congress confirms the validity of the directives formulated in the position paper and in the resolution, "On the Ideological Struggle," approved by the First Congress, by virtue of which it emphasizes the fact that both documents fully preserve their nature, which is to govern the activity of the party in the ideological education of its members and applicants for membership and in terms of what the Union of Young Communists (UJC), the mass and social organizations, the mass communications media and the government agencies and institutions are responsible for accomplishing.

As the First Congress postulated, firmness and intransigence in the defense of the purity of Marxist-Leninism and the determined struggle against the open or disguised designs of the bourgeoisie and imperialism constitute the essence of our principled positions in the domain of ideology.

Consequently, among our primary obligations are the unmasking of all anticommunist demonstrations and their principal form of expression, anti-Sovietism, the fight against any attempt to identify the just policy of peaceful coexistence, the elucidation of the distortions of the truth of those who strive to interpret the Cuban Revolution as an exceptional case that cannot occur again with the aim of shunting it to the sidelines of the historic process which conforms to objective laws, of refuting the conscious action of the men who have directed it and of concealing the inevitable need for socialist transformations on this continent.

The need prevails for pursuing the effort aimed at popularizing the fundamentals of the leading role of the party, its function and position as a political leader in the system of the dictatorship of the proletariat, and for promoting and strengthening its close association with the masses, as proclaimed by the First Congress.



The Second Cuban Communist Party Congress has announced that it is in favor of continuing and getting more deeply involved in the effort to economically educate the workers in terms of the socialist slogan raised on high by the First Party Congress: "Let everyone contribute what he can; let everyone receive what he earns," indissolubly associated with our efforts to inculcate and develop in them a spirit of solidarity and the highest ethical and moral virtues.

The obvious advances that have taken place in the course of these past few years in the social awareness of our people are creating new and more solid bases for continuing to wage the war proposed at the First Congress against the petty bourgeois vestiges that are reflected in phenomena such as bureaucracy, selfishness, individualism, the search for privileges, irresponsibility, discrimination against women and others, a war in which all revolutionary government personnel, as its most ardent standard-bearers, and first of all the members of the party, as living examples of firmness, modesty, critical and self-critical behavior and sensitivity to the problems and needs of the masses must distinguish themselves.

As a result of the rise in the revolutionary awareness of the proletariat and the growing activity that has been deployed, the party ranks have during this period quadrupled the number of their worker members and expanded and strengthened their organization at workplaces. We have today an organizationally and politically stronger party deeply rooted in the working class and capable of successfully facing up to the ideological struggle against the enemy.

This rank and file is also creating better conditions for strengthening revolutionary patriotism and internationalist ideals and for making the effort to guarantee the scientific view of the world more effective.

[Part II: 8 Jul 81 p 2]

[Text] Having assessed the conduct of the ideological struggle during the time that has elapsed and basing itself on the analysis and conclusions presented in the general report and the objectives and tasks required in the construction of a socialist system in our country during the next few years, as well as taking into account the present international situation and the fact that we may anticipate its worsening, the Second Congress feels it necessary to discuss certain considerations and formulate specific directives that may complement the position paper and resolution approved by the First Congress with regard to this decisive domain of our party's work and policy. To this end the Second Cuban Communist Party Congress adopts the following

#### Resolution

First: Since the First Congress was held, as was anticipated, there has been a continuous worsening of the ideological confrontation between socialism and capitalism on a worldwide scale, which has accelerated these past few years as a result of the gloomy situation that has given rise to the prolonged world economic crisis of the capitalist system, an intensification of imperialist exploitation of the underdeveloped countries, the incessant moral deterioration

of the so-called consumer societies, the victories of the revolutionary movement in various countries, the rise of the revolutionary struggle of peoples subjected to the imperialist yoke, the advances made by the Nonaligned Countries Movement and the tendency to abandon positions of detente that has prevailed in U.S. policy which involves the risks of a return to the cold war.

As for the rulers of China, they have consummated a strategic alliance with imperialism. The cowardly attack on the heroic people of Vietnam has revealed just how far they are capable of going in their betrayal of the world revolutionary movement and in their criminal ambitions for domination and expansionism.

In connection with this, the ideological centers of imperialism have especially promoted their anti-Soviet program, directing against the USSR the most sophisticated means and forms of propagandist manipulation and, bringing into play enormous resources in the promotion and elevation of antisocialist elements, the hypocritical "human rights" policy, and more recently they have tried to conceal their intervention in the internal affairs of the socialist countries, proclaiming their support of a supposed "democratization of the system" by means of which they are trying to conceal their plans for penetration, ideological softening up and destabilization, the objectives of which are openly the impossible restoration of capitalism.

Second: The economic life of the worldwide capitalist system has been profoundly shaken and disorganized by the successive crises which with growing violence are affecting all the capitalist economies.

The recession, accompanied by uncontrollable inflation, rising unemployment, the collapse of the international monetary system, created in earlier decades, and the energy crisis constitute some of the basic features of the current world economic situation.

Every day the failure of the ideological myths about the flowering of capitalism, the "general well-being" society and the "magical" results of the contemporary scientific-technical revolution is becoming more obvious.

Beyond the whole new "theory" and the constant solemn, diversionary speeches and studies, the certain fact is more and more firmly gaining acceptance that the capitalist system is totally incapable of offering mankind not only a coherent ideological framework but has shown itself to be incapable of providing effective responses, much less so far-reaching solution, to the urgent social, energy and ecological problems mankind is facing.

As the first secretary of our party, Comrade Fidel Castro put it, a restructuring of present-day international economic relations, which condemn the underdeveloped countries, in particular the nonoil-producing countries, to a deterioration in trade relations, growing poverty and an economic catastrophe, constitutes an imperative for the preservation of peace.

The economic crisis into which the great majority of the capitalist countries has sunken to an extraordinarily high degree affects the underdeveloped countries, driving them to financial bankruptcy and a reduction in their production capacities, dramatically including their potential for food production.

Only through profound socioeconomic and political transformations, liberation from the imperialist yoke and economic domination of the monopolies and transnational companies can an effective way be opened to mankind to progress, to the victory over hunger, illiteracy, unhealthy living conditions, to an effective economic development that will favor elevation of the standard of living of the popular masses and the full realization of their human potential.

Third: It is indispensable for us to realize that at the bottom of imperialism's big problem lie the profound economic crisis that is convulsing it right down to its roots and the danger represented by the most conservative and warlike forces' proclaimed readiness to preserve their positions at any cost and reverse the course of history.

The deterioration of the international situation, provoked by the imperialists, the arms race raised to the level of official policy, the considerably increased military budgets and the wild threats to legalize archaic policies on the verge of war constitute clear indications of the shifting of forces that has taken place in the upper echelons of imperialist power.

The most aggressive imperialist sectors are trying to gradually set aside a considerable number of the reform plans of the traditional "liberal" faction, which they charge with being responsible for the worsening of the crisis, for the purpose of imposing their ultrareactionary designs.

This development means that the imperialist ideology appears more brazenly and that the imperialists' intentions are observable in a less subtle manner, although without totally abandoning the arsenal of diversionary ideologists they have built up over the years.

The only sensible alternative to the great dilemma of our time is a policy of peaceful coexistence that supports the nonemployment of force in relations between nations, efforts aimed at eliminating focal points of tension on the planet and a tight struggle for peace round the world, a policy which at the same time favors people's right to rebel against their oppressors.

We must subject the arms race the military-industrial complex is encouraging to systematic criticism and alert people to the dangers this cynical and irresponsible behavior entails for the fate of mankind.

[Part III: 11 Jul 81 p 2]

[Text] Fourth: The empire is reinforcing its ideological apparatus and transforming it in conformity with the appropriate needs of its policy. The official propaganda budget is growing and more and more mass forms of manipulation are being used, forms which under the cover of a supposed "objectivity" spread the values, habits and customs of the corrupt industrialized capitalist

societies. In the face of this increase in enemy activity, we must strengthen the ideological effort aimed at specific objectives that are properly assigned priority, creatively publicize our achievements in the edification of a socialist society, improve the general training of the masses to oppose the attacks and campaigns of our enemies and at the same time make a systematic effort to criticize the capitalist societies in the domains of economy, ideology and politics for the purpose of revealing their enormous contradictions and exposing their exploitive, antipopular and inhuman nature.

At the same time, during the era we are entering into the most extensive publicization of the achievements and advances made by the socialist countries, first of all the Soviet Union, in the building of the new society in which the ideals of progress and the well-being of mankind attain full validity in practice acquires particular importance.

Despite the negative effect the economic crisis of capitalism has on them, the countries of the socialist community exhibit constant advances in the development of their economies and their truly democratic systems of government, in which the right to work, education and an old age free of need are guaranteed and tend to be improved on.

We must continue to increase the effectiveness of the employment of our resources and potential to actively and systematically provide the outside world with extensive, well-founded and truthful information on national and world events which properly reflects the realities of revolutionary Cuba and the socialist system as a bulwark of the rights of man, the fraternal, solidary and multifaceted cooperative nature of relations among the socialist countries and particularly between the USSR and Cuba, and the foundations of Cuban relations with the countries of the Caribbean, Latin America, Africa and the underdeveloped world.

The importance of the Nonaligned Countries Movement, the holding of its Sixth Summit Conference in Cuba and the great significance of the fact that our country was chosen to be its headquarters must be constantly emphasized in the party and among the people in general. The fundamental position papers of the movement and the resolutions of the Sixth Summit Conference are excellent instruments for the effective achievement of this goal. Comrade Fidel Castro's speeches at the Sixth Summit Conference and before the UN General Assembly are of far-reaching importance. In them he made a political, economic and social analysis of the situation of the underdeveloped countries, in which 65 percent of the world's population lives, where the figures on illiteracy, unemployment, malnutrition and poverty are reaching alarming proportions. These declarations of the first secretary of our Central Committee are documents to be constantly studied and worked with by party members and officials in their task of explaining and announcing to the masses the principles, bases and planning of Cuba's positions in the face of the urgency of formulating a strategy for the development that is rooted in a new international economic order and in the joint effort of the world community.

Fifth: Exasperation over the ideological struggle between the forces of progress and reaction has been demonstrated with great intensity in Latin America



and the Caribbean with regard to the successful holding of the Sixth Summit Conference in our country, the consistent strengthening of Cuba's positions and international prestige, the revolutionary victories of the peoples of Grenada and Nicaragua and the culmination of the revolutionary movement in Central America.

The anti-Cuban campaign, which has never ceased on this continent since the triumph of our revolution, has been stepped up, stimulated by these events to the point of becoming a furious one right after the provocations at the Venezuelan and Peruvian Embassies and the offices of the U.S. Interests Section in Cuba.

The indignant and at the same time mature response of our masses, whose greatest expression was in the historic days of the Fighting People's March, in which millions of Cubans, especially our young people, raised the banners of dignity: an end to the blockade, return of the illegally occupied territory of the Yankee naval base at Guantanamo and cessation of the spy flights, frustrated these provocations and most resoundingly gave the lie to the slanders and deceptions of this campaign.

The masses have raised the standard of repudiation against these unprincipled and stateless persons, thus reaffirming the legitimate and true image of the Cuban people which our enemies have in vain tried to falsify. This repudiation was, and is, a concrete and instructive testimony to the unity, cohesion, faithfulness to principles and self-respect which are typical of our people, an expression of their ideological evolution and political firmness.

This has been the unwavering behavior maintained by our people during the past 5-year period, acting at all times as the conscious and determined heroes of the revolutionary epic. Courageous and selfless sons of the working class, the farm workers and the revolutionary intelligentsia, they have with honor performed the solidary mission entrusted to them by the nation and the party, fighting alongside the heroic peoples of Angola and Ethiopia against foreign aggression for national independence and in defense of the revolutionary government.

Thousands of fellow countrymen are today carrying out missions of aid and internationalist cooperation in the economic and social domains in many brother countries.

Under the conditions imposed by the criminal imperialist blockade, faced with adverse international economic situations and the devastating effects of diseases that have laid waste extensive areas planted with sugar cane and tobacco, our working people, aided by the exemplary solidarity of the Soviet Union and fraternal cooperation of the socialist community, have maintained the level of their great social achievements and made it possible for us to continue to advance the process of development of the national economy.

[Part V: 15 July 1961: 2]

[Text] In all its politico-ideological transcendence the Second Cuban Communist Congress appreciates the countless examples of patriotism, disinterest, selflessness, internationalist spirit and high level of revolutionary awareness which the masses have displayed and which are manifested in their support of party policy, the laws and measures of the revolutionary government and in their unconditional support of the first secretary of the Central Committee, Comrade Fidel Castro.

Sixth: The congress emphasizes the importance for the ideological effort of the Politburo resolution, in which it called for a rigorous, thorough and valid analysis of the specific shortcomings that are interfering with the meeting of quotas and the progress of the work at each production or service center, in the educational institutions, government agencies at all levels and political and mass organizations, and it pronounces itself in favor of the consolidation of these principles on the basis of daily, pertinent and honest criticism and self-criticism and the exalted spirit of intransigence that must be typical of the revolutionary action of the masses.

Based on the statements of the first secretary of the party, Commander in Chief Fidel Castro, against indulgence, negligence and lack of discipline and for increased rigor and efficiency, this valuable document calls on all party members to engage in a constant and resolute struggle against the bourgeois and petty bourgeois reminders that still subsist in our society.

We have already reaped the first fruits of this effort. This makes us feel really optimistic and stimulates us to pursue this battle which demands a united struggle on the part of our members and the conscious action of the masses.

The energetic decisions aimed at raising the efficiency of the administration and strengthening labor and social discipline were not brought on solely by the harmful behavior of antisocial elements but our shortcomings in the economic and administrative sectors as well as certain inadequacies in the politico-ideological effort have been reflected in such cases.

Seventh: Ideological front personnel and activists must assign primary importance to the need for increasing the study and diffusion of Marxist-Leninism among the masses and most especially among the workers, the consolidation of their revolutionary convictions and the mastery of party policy as expressed in its documents, resolutions and in the speeches of Comrade Fidel Castro and other party and government leaders.

In connection with this, we must intensify the political effort, the work of enlightenment and persuasion, of incorporation into the revolutionary tasks of all those honest people who at any given time may not understand or may be confused over some things. The ideological effort must be characterized by perseverance, tenacity and patience and all our staff and members must be educated in the policy of accomplishing it daily and systematically. Every communist is expected to know how to mobilize and organize the masses in the face of any situation, no matter how difficult it may be.



Of particular importance is the heightening of awareness of the need for being ever more and better trained to carry out one's duty +, defend the sovereignty of the nation, the power of the workers and farmers and the work of the revolution under the most difficult and complex conditions.

Similarly, the politico-ideological effort aimed at increasing the participation of the workers and all of the people in the state and social administration, fundamentally through the organs of the People's Government and the social and mass organizations, is of special significance.

Another permanent and essential objective of our ideological is the formation and development of a profound awareness and readiness to perform one's internationalist duty, the outstanding and sustained manifestations of which constitute one of the most important achievements of the Cuban Revolution.

In connection with this, the party must orient the politico-ideological effort the UJC and the youth and pioneer mass organizations are making and at the same time promote the development of initiatives aimed at appropriately receiving, handling and channeling the concerns, opinions and aspirations of youths themselves, including those relating to the satisfaction of their recreation and relaxation.

Ninth: In the ideological effort it is of vital importance to continue devoting attention to the struggle to attain full equality for women. All segments of our society must act in a concerted way to guide and enlighten ourselves with regard to identical opportunities for women and men at work, in education, cultural activities and the defense of our country. The Second Congress reiterates the principle expressed by the First Congress, to wit: Combined with the effort to construct the technical and material basis for socialism, it is necessary to make a persistent effort to eradicate from the consciousness of all of us — men and women — the prejudices and false premises that still persist with regard to women.

[Part V: 17 Jul 81 p 2]

[Text] Tenth: The Second Congress pronounces itself in favor of the systematic application of an overall approach to the ideological effort, one presupposing the harmonization of all efforts in order to develop the living and working habits and form the ethical and moral values of the socialist personality. The congress reiterates the singular importance the party assigns to art and literature in the achievement of this commitment in view of its generalizing and educational nature. As the First Congress postulated, the potential for artistic creation in the formation and transformation of man depends on the maturity of the artist, on his talent and mastery of techniques, on his ideological level and intransigence against the manifestations of the bourgeois ideology.

Eleventh: The Second Cuban Communist Party Congress underlines the need for more closely relating propaganda and the general content of the ideological effort to the practical tasks involved in the edification of socialism, for raising its theoretical and ideological level and making it more well-founded and accessible.

In propaganda activities the operational style must be marked by its dynamism, such that propaganda agents keep themselves prepared to operationally respond to any situation. To achieve this, it is necessary for all ideological front workers to be informed on those issues of greatest current interest and which most interest the public at any given time. In connection with this, they have to be familiar with the state of mind of the masses, the difficulties and problems that give rise to questions or misunderstandings. In this way we can see to it that our propaganda is in keeping with the needs of the masses and the peculiarities of each segment of the population. The timely establishment of priorities, the concentration of efforts and resources on the chief tasks and the skillful combining of more general campaigns with the specific and differentiated operation that may respond to the specific problems of the different social sectors will be factors in achieving this goal.

It is necessary for us to raise the levels of efficiency, quality and esthetic value of our propaganda. The introduction of measures that strive to eliminate dispersion and spontaneousness as well as an increase in efforts to make more sensible use of the media we have available to us will help us to achieve this goal.

We must go on working systematically to develop and improve the qualification of party propaganda personnel, the UJC and the mass organizations. To do this, we recommend that courses of study be organized and that those courses of a specialized nature which are given in the party's school system in this country and those that are offered through study in the brother socialist countries be optimally utilized.

It is absolutely necessary for us to work to precisely implement the First Congress recommendation to improve the organizational methods and procedures that will permit proper planning of the tasks and unity of action of the different propaganda media. At the same time special attention must be devoted to the introduction of scientific methods in their organization, realization and evaluation. The party rank-and-file organizations are responsible for an important role in the improvement of the ideological effort. We recommend that the ways and means of facilitating qualitative evaluation of the implementation of planned activities be improved, as should those employed to determine their effectiveness in terms of results. We must adopt measures to see to it that our plans are drawn up on the basis of a rigorous analysis of the problems that exist at each location.

In the content of the ideological effort, priority must be assigned to the economic policy outlined by the party, to development of the Economic Management and Planning System and to the party's agrarian policy which is aimed at transforming the social relations of production in rural areas.

The effort that is being made in the economic education of the workers is still inadequate. In connection with this, the party, the UJC and the mass organizations, especially the Central Organization of Cuban Trade Unions, must intensify and improve their efforts.

Emphasis must be laid on the importance of the wage reform now being applied, the content and characteristics of centralized planning, the methods employed to manage the economy through the "cost accounting" system, the use of financial procedures to obtain greater efficiency in social production and in all the important economic tasks our people are carrying out.

"The party, the trade union movement and all the other mass organizations and government agencies must simultaneously continue to devote special attention to the realization of a voluntary effort on the bases determined for it since this constitutes an essential factor in the shaping of the communist ideology."

In view of the extended nature and complexity of the ideological struggle, the importance and the function of coordinating our propaganda activities with those of the communist parties of our brother socialist countries is increasing. In this area there are unlimited prospects for the continuous development of multifaceted cooperation between the mass communications media and agencies which are responsible for the implementation of propaganda activities.

The Second Cuban Communist Party Congress recommends that the Central Committee adopt concrete measures aimed at improving the propaganda effort, increasing its efficiency and quality and improving the ways and means that strive to eliminate the shortcomings that still exist /in order to ensure implementation of the policy outlined in the First Congress position paper/ [in boldface] and the resolution, "On the Ideological Struggle," and to carry out this resolution.

11,466  
CSO: 3248/438

## NEED FOR BETTER OCCUPATIONAL SAFETY STRESSED

Havana BOHEMIA in Spanish No 49; 3 Dec 82 p 50

[Article by Frank Hechavarria]

[Text] Each day in our country, dozens of occupational accidents occur that have serious consequences, not to mention death in some cases; and what is most unfortunate is that they can be avoided. The accident that we categorize as unforeseeable or fortuitous, chalking it up to bad luck, can be avoided if safety measures are carried out.

We all know that in our country there are laws that must be observed which establish rules and safety measures for the protection of our workers, but unfortunately these provisions are not always implemented where they are needed. The results are not always as extreme as those in the photograph accompanying this text, but sometimes they are worse.

Statistics indicate that this year there were more accidents than last year. We wonder how long the irresponsibility of some people is going to continue causing mishaps. The figures are genuinely alarming: During the first 6 months work accidents totaled 32,277; 1,209 of these were serious. In 143 instances, death struck a worker who was making his contribution to this society's development. Because of accidents, no less than 542,199 full work days were lost during the 6-month period.

It is useful to emphasize, for it was already reported at the National Meeting on Work Safety and Hygiene, that the sugar sector had the highest number of accidents, 10,651, for a rate of 24.03 per million hours worked. The farming sector was next with 4,592, for a rate of 11.5. In the industrial sector, metallurgic activities led with 19.2, followed by maritime at 16.6, foodstuffs at 16.3, chemical/energy at 13.4, and transport at 12.8.

In the assessment of these accidents it was found that in most cases they were due to inadequate training of the worker, especially young workers lacking experience. That is, the law is not being observed, for it says that each workplace should properly train all workers in the safety rules and regulations for his job and also require that they be observed. This is clearly the responsibility of the administrators.

There is State Committee for Labor Resolution 492, which calls for inspection of the place where an accident occurred to determine its cause, which is then to be discussed with the collective in order to prevent its happening again. This inspection should determine responsibility, for as a rule provisions of the Work Safety and Hygiene law have been violated in some way.

We see, however, that there are still very few cases in which administrators invoke Decree 36 against leaders and officials who overlook safety rules that prevent serious or fatal accidents.

Often, too, these obligatory safety rules and measures do not reach the work positions because of lack of administrative pressure, and the understanding about these problems needed by the one who should be the center of this daily battle--the working man--is not achieved.

This is everyone's responsibility because we should all prevent the death or serious injury of a fellow worker. We should all help in this regard--workers, union leaders and administrators--and remember that each man is needed in his job and in society.

9085

CSO: 3248/447

## BARANDA PASCUAL DISCUSSES MERCHANT MARINE, PORT WORKERS' ACTIVITIES

Havana BOHEMIA in Spanish No 49, 3 Dec 82 pp 48-49

[Interview with Evaristo Baranda Pascual, secretary general of the National Merchant Marine, Port and Fishing Workers Union and member of the PCC Central Committee, shortly after the end of the union's national congress, in the union's offices at Central Organization of Cuban Trade Unions headquarters; date not given; by Gregorio Hernandez]

[Text] We could still hear the last of the enthusiastic applause marking the end of the work of the 255 delegates who for 2 days took part in the Second National Congress of Merchant Marine, Port, and Fishing Workers, held in the CTC's [Central Organization of Cuban Trade Unions] Lazaro Pena Theater, when we approached the newly re-elected secretary general of the union, Evaristo Baranda Pascual, also a member of the party's Central Committee, for a summing-up for BOHEMIA of the significant event and for prospects for future work arising from it.

Our meeting took place on the third floor of the CTC building, where the union's offices are located.

With the ease and experience of someone who has devoted over 40 years to revolutionary and union tasks, Comrade Baranda answered our first question fully and confidently. [Question not given]

[Answer] Our National Committee prepared a critical and self-critical report, for it understood that the proper thing to do was to discuss issues openly, with no holding back at all. We spoke of our successes but also of our deficiencies, our errors. We spoke very clearly, and we were sufficiently critical to demonstrate that in certain activities the administration is not meeting the needs of the present moment. The delegates' discussions were a response to the main report presented by our National Committee. They were thorough discussions, lasting long hours; and there wasn't a single speech reflecting personal problems, issues having nothing to do with the congress.

And what did that discussion enable us to do? Well, to reach agreements setting out a line of work in the interest of the country's economy and of the merchant marine, port, and fishing workers.



[Question] Evaristo, people at the congress spoke out strongly against those who are harming the sector. What can you tell us about that?

[Answer] The first comments by Comrade Ignacio Martinez, secretary of the union bureau at the Mambisa Terminals Enterprise in Havana, are fresh in my mind. He spoke out against the elements that unfortunately are still there, people trying to turn the ships and the ports into something very special in order to obtain things that don't belong to them. We'll give no peace or quarter to those people, and in every assembly at our workplaces we'll talk about what the attitude should be of a worker who is building the new society.

[Question] There was considerable criticism at the congress concerning work safety measures. What about this?

[Answer] The discussion about problems of work safety and hygiene was very lengthy and serious. Our nation can't develop a comprehensive policy regarding safety and hygiene because many of the items we have to use are from the capitalist area, from the area of freely convertible currency. But we're certain that there's a lot of equipment produced in our country and no reason whatever for it not to have the necessary quality and not to be used. And that's the demand we should make, and that was voiced at the congress, for a goodly part of our accidents are related to the lack of equipment. As a result, we talked about the need for workers to be able to use everything given to them; for on many occasions accidents occur not because the worker doesn't have safety equipment but simply because he doesn't use it. And then administrators and also our union branches don't apply pressure, and so accidents happen, fatal ones in some cases.

[Question] Port workers were late in receiving the benefits of wage reform. What was the reason for this?

[Answer] It was the only activity of ours that thus far had not received those benefits. Not because there was no interest on the part of our union and the Revolutionary Government, but simply because it turned out to be so complicated to apply it in the ports. The government approved a plan that had already been discussed with the Ministry of Transport, the State Committee for Labor and Social Security, and the union. We're going to begin to implement this new pay system, to hold assemblies; and on 1 January the 16,000 port workers will begin to receive the benefits of wage reform.

[Question] What are the most outstanding accomplishments in the sector's part of the national economic scene?

[Answer] Both at the congress and within the rank and file, the workers are joyfully describing the work feats they've been doing for years. We observed how the merchant marine, port, and fishing workers talk happily about fulfilling the economic plans. Although it's true that there's no guarantee that the ports plan will be fulfilled, as of 31 October workers in this sector had handled some 350,000 more tons of cargo than in the previous year. We saw the achievement of the workers in Brigade 11, Zone 2, at the Guillermon Moncada Port in Santiago de Cuba, referred to by Comrade Jorge Risquet in his summing-up speech. In one work day, the 16 men in the brigade loaded a ship from the German Democratic Republic with 28,880 boxes of oranges, each weighing 19.5 kilograms. The day before the congress

the port workers in Cienfuegos loaded over 30,000 boxes into the holds of the ships. There are the fishing workers, too, who have had an overall increase of about 15 percent.

[Question] What role did emulation play in these production successes?

[Answer] These triumphs enable us to see the tremendous vigor with which emulation takes place among our workers. The reason for this is that red-hot emulation is very simple. Each person knows what he has to do before starting work, and when he finishes, he knows how much he has done and how he has done it.

[Question] What results is union work having in the merchant marine?

[Answer] We're giving increasing importance to our merchant marine. We've just enlarged our union bureau at the Mambisa Shipping Enterprise. We've obtained the cadres who truly meet those work needs; that's why we have a tremendous emulation movement in the fleet. You could say that there's a number of ships that now hope to be the best ship. We couldn't achieve that before. The other day, we took a tour with Comrade Risquet, and we went to the motor ships "Aracelio Iglesias," "Lazaro Pena," and "Presidente Allende." Risquet later went on to the ship "Jose Marti," and on all those motor ships there was tremendous enthusiasm. Everyone said they would be the best: Through the first 9 months of this year, the ship that was most outstanding was the "Lazaro Pena," but the "Presidente Allende" and the "Aracelio Iglesias" have great possibilities. The emulation plans consist not only of transporting cargo well but also of maintaining the ship in condition for use, "ready for loading," as the seamen say; for one of the reasons for emulation is care, maintenance.

At the same time, we want to state that Comrade Risquet's conclusions were right on target, and we're going to use them as a guide for work; he has given our union a direction in which to move.

[Question] In summary, how was the congress?

[Answer] It was combative, a genuine proletarian congress, where the workers showed their determination to overcome whatever difficulties arise and are placed in our path by the enemy. Moreover, it has left us with a number of agreements that will enable us to draw up a work plan for this 5-year period.

The unity there was expressed in the way in which our National Committee was elected. It also demonstrated how the delegates, who represented 64,000 member workers, made a firm commitment to make our union, the union of Aracelio Iglesias, Pablo Sandoval (Macuto), Cabrera Monteller, Artanan Diaz Diaz, and Captain Ventura Ventura [as published], worthy of those heroes of the fatherland.

9085

CSO: 3248/447

## CENTRAL BANK PRESIDENT DISCUSSES ECONOMY

Guatemala EL IMPARCIAL in Spanish 15 Dec 82 pp 1, 11

[Text] "Political determination and imagination are needed to put together a set of economic policies that will make it possible to meet the country's current crisis."

This opinion was expressed by the president of the Bank of Guatemala, atty Jorge Gonzalez del Valle, during the economic panel discussion last night at the Guatemalan Journalists Association [APG].

## Economic Defense

The president of the Bank of Guatemala said he was in favor of adopting a defensive system for reducing the domestic effects of the international recession, a system that would include credit, fiscal, production, integration and exchange policy aspects.

"An effective economic defense of the country must be supported by a flexible credit policy, especially for the agricultural sector, stimulating areas of production which have remained marginal for a long time," atty Gonzalez del Valle stressed.

## Instrument of Development

He said that anything other than essential public services and infrastructure projects in the 1983 budget must be sacrificed so that it can be implemented as an instrument of development for Guatemalans.

## Simple Projects

"We must implement simple, practical projects in order to maintain employment, for unemployment leads to desperation and social upheaval," the Bank of Guatemala president stressed last night at the APG.

### Regaining Leadership

He also described the closing of borders to regional trade as an erroneous policy, saying that he was in favor of Guatemala regaining the leadership which it had several years ago in the Central American Common Market.

### Exchange Control

Gonzalez del Valle added: "We must keep our currency strong because it provides security for new investments, but control of foreign exchange should be facilitated to protect our reserves."

### Real Optimism

The president of the Bank of Guatemala also said night at the APG: "It would be rather unwise to devalue the quetzal. I believe that there are existing defensive measures for stimulating the national economy and good prospects for coping with the country's current crisis. But we must act today; tomorrow will be too late."

11915

CSO: 3248/408

## GOVERNMENT ANNOUNCES ECONOMIC RECOVERY PLAN

Guatemala PRENSA LIBRE in Spanish 31 Dec 82 pp 31, 40

[Text] The Guatemalan Government yesterday expressed its concern over the country's economic and social situation and announced an economic recovery plan for 1983.

The government's statement reads as follows:

It is customary at the end of every year to take an inventory of assets and liabilities, of successes and failures. In Guatemala's case, we all know that the country, which was then in a moribund state, began to regain its vitality on 23 March, when hope began to grow.

But although the overall picture is positive politically, institutionally and with regard to the control of subversion, the government is concerned about the great economic and social problems.

In the case of Guatemala, large-scale subversion action was added to the great economic and social problems of an underdeveloped country. The nation's economy was hard hit. Tourism, the third largest industry in terms of providing foreign exchange, has been ruined.

Capital flowed out of the country and in view of its poor image, no foreigner was willing to invest in the country. Our credit with suppliers was reduced. All of this, plus corrupt handling of public finances, laid the foundations for economic collapse.

But since 23 March, a process of change has begun in all sectors and a program of basic austerity and honesty was implemented in the economic sector, for President Rios Montt has clearly said that anyone who steals will go to jail, regardless of his position.

But it is not easy to move forward because of the world recession. The prices of our products for export are down, the Central American Common Market is askew and it has thus been difficult to obtain foreign exchange.

Now at the end of the year, the government is able to announce specific measures and policies which it has decided to take to begin economic recovery. These are only the first steps, since others will follow in coming months.

But it is a matter of solving the problems of all Guatemalans, not only those residing in the capital but also those of the country's rural indigenous majority.

The main features of the Economic Recovery Program, which will be implemented beginning 3 January 1983, are as follows:

a) Basic Objective: To provide the means for the majority of Guatemalans to achieve a decent and dignified standard of living.

b) To strengthen the following institutions:

National Housing Bank: It will be allocated the necessary resources to provide minimum financing for housing to families with monthly incomes of between 50 and 249 quetzals, at preferential interest rates.

National Mortgage Bank: It will expand its scope of operations to provide financing for housing to families with monthly incomes of between 250 and 500 quetzals, at preferential interest rates.

National Agricultural Development Bank: In addition to an increase in the Rural Housing Program, it will be allocated resources and capital assets so that it can financially assist small and medium-size farmers, at preferential interest rates.

Committee for National Reconstruction: Its operations will continue to be located in the geographic area affected by subversive acts.

c) Municipalities: Support for municipalities through economic contributions, inasmuch as their financial capacity is very limited, since all the budgets of the 326 municipalities, excluding the capital, barely total 33 million quetzals, in order to implement their respective operating programs for 1983, many of which have a budget of only 5,000 quetzals.

d) Budgetary reorganization of decentralized institutions:

Together, operating programs totaling 1.048 billion quetzals have been planned. A percentage of these funds will have to be earmarked for municipalities and for the effort of government financial institutions.

e) Every possible effort will be made to transfer public corporations to the private sector or to groups of workers comprised of small businessmen.

f) Reform of the tax system to make it more equitable. Among other things, the gradual reduction of taxes on products for export and the substitution or modification of other taxes will be studied.

g) The quetzal's exchange rate will remain the same, since stable exchange rates are essential for bringing about economic recovery and the present government took this into consideration when it assumed power.



Appropriate measures will be adopted for providing credit to production sectors. In the case of the Guaranty Fund for agricultural export operations, the annual rate of 2.5 percent on guaranteed amounts will be reduced to 1 percent and the purpose of this percentage will be to establish an amortization fund for the debt contracted.

i) The autonomous and independent judgment of the collegial body comprising the Monetary Board will be respected. The same procedure will be observed in the case of the Bank of Guatemala. Both institutions will exhaustively review the Banking Law and shall propose relevant changes for eliminating features considered obsolete.

j) The diversification of exports will be encouraged by granting advisory services and easy tax and credit terms with regard to marketing.

k) Petroleum operations shall be increased by means of an equitable legal framework for the country and foreign investors.

l) Foreign financial management shall be continued to support the balance of payments and implementation of priority development projects, especially those which are labor-intensive.

m) The government shall continue to combat the inherited and still persistent corruption. The purge shall continue. It may now be reported that purchase and payment orders totaling 65,115,754.97 quetzals have been discovered, issued beginning in January 1981 with checks made out to nonexistent companies or to pay for fictitious sales to formerly established companies. It has been discovered that the payees of many of these checks were former government officials whose names will be announced in due course. Provisions have therefore been made for the Ministry of Public Finance and the General Accounting Office to carry out an exhaustive audit. All purchase and payment orders for supplies of food, rents, etc., have therefore been frozen to prevent such fraud and to determine the responsibility of those who have perpetrated such fraud and continue to do so.

11915

CSO: 3248/408

## BRIEFS

JACKSON ON SURINAME, ISRAEL--Guyanese Foreign Minister Rashleigh Jackson has said that his country will seek in every possible way to strengthen relations with its neighbor, Suriname, and he stressed that it will not resume diplomatic relations with Israel. In a brief meeting with the press in Georgetown, he said that Guyana is undertaking a careful study of ways of increasing cooperation with the people and government of Suriname and he expressed optimism about the future negotiations on the border conflict in the southeastern region of the Courantyne River. He said that Guyana will not reestablish diplomatic relations with Israel, which were broken off in 1973. He said that the Guyanese Government has seen no change in Tel Aviv's aggressive policy; indeed, it has seen an increase in Israel's expansionist actions in the Middle East. [Text] [PA270132 Havana International Service in Spanish 0000 GMT 26 Jan 83]

BURNHAM MESSAGES TO INDIA, AUSTRALIA--President Burnham has sent congratulatory messages to India and Australia on the occasion of their national day anniversaries being celebrated today. In his message to India, President Burnham spoke highly of India's commitment to international economic justice, peace and the promotion of harmony and understanding among developing countries. He also expressed the view that India's assumption of the nonaligned chairmanship would result in further successes in the fulfillment of aspirations which are common to the two countries, India and Guyana. Guyana's head of state also recognized the amicable relations between the two countries and expressed hope for the strengthening of those relations in the years ahead. And in his message to Governor General Zelman Cowen of Australia, President Burnham expressed the wish that the mutual commitments shared by the two countries in pursuit of peace and stability and the mutual quest for economic justice will continue to be guiding factors in their global relations. He was also optimistic that the friendship and cooperation generated within the commonwealth of nations will provide further impetus for developing understanding between their two nations and peoples. [Text] [FL261330 Georgetown Guyana Domestic Service in English 1000 GMT 26 Jan 83]

CSO: 3248/471

## BARBADOS DELEGATION CHECKS EXCHANGE RATE EFFECTS

FL261800 Bridgetown CANA in English 1730 GMT 26 Jan 83

[Report by Paget Defreitas]

[Text] Kingston, Jamaica, Jan 26, CANA--Jamaica's minister responsible for foreign trade, Hugh Shearer, and the minister of industry and commerce, Douglas Vaz, were today meeting an official Barbados delegation dispatched to Kingston by their government to ascertain how the two-tiered currency exchange rate introduced here this month will affect trade between Jamaica and its 11 other partners in the Caribbean Community (CARICOM).

The four-member Barbados team comprises Phillip Williams, executive director of the island's Export Promotion Corporation, the corporation's assistant director, Vanburn Gaskin, and two officials of the Barbados Central Bank, Marion Williams and Jefferson Reeves.

Their visit here follows recent complaints by Barbados Trade Minister Bernard St John that Jamaica had introduced the tiered system without consulting its CARICOM partners, and that the measure would have adverse effects on Jamaica's trade relations with its CARICOM neighbours.

Under the new exchange system, prescribed imports, such as basic foods and vital goods as well as a portion of imports for export production will be at the official exchange rate of 1.78 Jamaica dollars for one American dollar.

Other imports, including those from CARICOM countries, will be at the parallel market rate set by commercial banks in accordance to supply and demand.

This has proved worrying to CARICOM governments which fear that their exports to Jamaica will be more expensive, and could cost them the market.

But, as the Barbados team was yesterday told by Bank of Jamaica (Central Bank) Governor Horace Barber and were expected to be told today by Ministers Shearer and Vaz, the government here is saying that this will not be so, as Jamaican producers have been given no advantages over their CARICOM competitors.

Last weekend Minister Vaz issued a statement here noting that Jamaican manufacturers, producing for the domestic market, will have to purchase a large part of the raw materials, spares and capital goods at parallel market rates.

"This is pari-passu with imports from CARICOM and elsewhere. In fact, the Jamaican exporter will be at a slight disadvantage vis-a-vis his former status of getting all raw materials on officially funded rates," Minister Vaz said.

CSO: 3298/1190

## VAZ EXPLAINS TWO-TIERED RATE OF EXCHANGE

FL221739 Bridgetown CANA in English 1659 GMT 22 Jan 83

[Text] Kingston, Jamaica, Jan 22, CANA--The Jamaica Government today moved to allay fears that a new currency arrangement here will seriously affect trade with other Caribbean Community (CARICOM) member countries.

The move came after Barbados Trade Minister Bernard St John said the new two-tiered rate of exchange between the Jamaica and the U.S. dollars would make Jamaica's imports from the region more expensive.

Jamaica's Industry and Commerce Minister Douglas Vaz, in a statement, said: "Certain misconceptions concerning CARICOM trade have been in circulation, and need to be dispelled."

The conditions governing CARICOM trade under the new regime are as follows:

"1. As far as Jamaican exporters to CARICOM are concerned, there is no basic change. Approved exporters will derive funds from the EDF (Export Development Fund) at the same rate of exchange--official rate--as they had been accustomed to. The proceeds of their export sales will continue to be at the official rate (1.788125), and not the parallel market rate, hence no advantage will be gained.

"2. Jamaican exporters to CARICOM will not enjoy the 50 per cent retention of foreign exchange proceeds as third country exporters will. This is deliberately done, so as not to put the Jamaican exporter at an unfair advantage over his CARICOM competitor.

"3. Most Jamaican producers for the local or domestic market will have to purchase a large part of the raw materials, spare parts and capital goods on the parallel market. This is pari-passu with imports from CARICOM and elsewhere (in fact the Jamaican exporter will be at a slight disadvantage vis-a-vis his former status of getting all raw materials on officially funded rates).

"4. Payment of duties and taxes at the prevailing parallel market rate will affect both Jamaican and CARICOM producers.

"5. Talk on quotas being established for CARICOM imports cannot be entertained, as this would breach the CARICOM agreement by which quotas are forbidden. Jamaican importers will have a global quota, to use as they see fit. CARICOM exporters will have to see to their competitiveness, merchandising and marketing aggressiveness, to ensure that they get their fair share.

"However, the growth of Jamaica's imports from CARICOM (31 per cent in 1981, which produced a deficit of trade for Jamaica of 75 million dollars), has largely been because of easier access of licensing for CARICOM goods, arrangements of payments through the multilateral clearing facility, an advantage which third country imports do not enjoy, and which affected third country imports severely.

"These factors apply particularly to items on the restricted list of imports. Additionally, market acceptance has already been gained for CARICOM imports which Jamaican importers will seek to preserve, because of the considerable expense undertaken by them to gain that market acceptance.

"6. The Jamaican Government has no intention of inhibiting or creating barriers against trade with CARICOM. To the contrary we have in fact acceded to removal of the two barriers which have long been sought by our major CARICOM partners--(a) removal of quantitative restrictions, and (b) virtual dismantling of the import licensing system.

"7. Whereas Jamaican manufacturers for the domestic market will stand in a foreign exchange availability line at the commercial banks, CARICOM exporters to Jamaica will have no such constraint as CARICOM payments will be ensured by the Bank of Jamaica through the MCF, which is a decided advantage by CARICOM exporters over Jamaican producers.

"8. By formalising the parallel market, the Jamaican markets can be expanded for Jamaican as well as CARICOM producers, as the untrammelled barrage of third-country imported non-essential goods which we were subjected to in 1982, through licensing abuses and illicit importation, will no longer prevail, as among other measures the 'no funds' and retained accounts regimes have been curtailed.

"9. New regulations for customs clearance, both at air and sea ports, particularly in respect of container stripping and the control of the higgler trade, will greatly reduce the traffic of illicit and undesirable imports which have plagued bona fide producers, and eroded their markets. Greater market share will therefore now be available for both Jamaican and CARICOM producers.

"10. The conditions of CARICOM trade, then, have not been changed to adversely affect CARICOM participants. However, competitiveness, market aggressiveness and skillful merchandising techniques will be the determining factors in who gets their fair market share, and these will provide CARICOM consumers with the best possible deal--including the fairest prices."

CSO: 3298/1190



## BRIEFS

AGREEMENT WITH CANADA--Kingston, Jamaica, Jan 11, CANA--Jamaica and Canada have signed a reciprocal social security agreement which will allow citizens from either country but resident in the other to benefit from its pension and social security schemes. Under the agreement, Canada's pension plan and old age security act will be co-ordinated with Jamaica's social security programme, and persons who have resided in both countries will be able to combine social security credits in order to satisfy eligibility requirements of either country. The pact was signed here by Jamaica's social security minister, Neville Lewis, and Canada's minister of national health and welfare, Monique Begin. Initially, it will make 2,200 Jamaicans resident in Canada eligible for national security coverage in that country and will cost the Canadian Government four million dollars (Can) when it comes into effect over the 1984/85 fiscal year. [Excerpt] [FL111910 Bridgetown CANA in English 1754 GMT 11 Jan 83]

CONTRACT WITH ITALIAN FIRM--Kingston, Jamaica, Jan 11, CANA--Jamaica, working to overcome its difficult electricity supply problems, has signed a contract with an Italian firm to overhaul two generating units in the nearby parish of St Catherine with a combined capacity of 90 megawatts. The agreement with Ansaldo of Italy will cost 5.3 million (U.S.) dollars, and it is expected that the larger unit, with a capacity of 60 megawatts, will be back in operation by the end of July. The other 30 megawatt generator should be ready by September. The funding for the programme is through an 8.86 million dollars (U.S.) loan that Jamaica received from Italy last week as part of a package that will see Jamaica receive more than 38 million dollars in Italian economic assistance this year. [Excerpt] [FL111910 Bridgetown CANA in English 1747 GMT 11 Jan 83]

CSO: 3298/1190

## NONALIGNED MEETING IN MANAGUA PRAISED

PA270412 Mexico City EL DIA in Spanish 15 Jan 83 p 5

[Editorial: "Mexico and the Nonaligned Countries Movement"]

[Excerpts] The special meeting of the nonaligned movement's coordinating bureau that just ended in Managua was extremely valuable, in that it was held at a time when there is tension in international relations and when the centers of conflict are both growing and growing worse. This tension is caused by the concept of the two superpowers' military bipolarity and, above all else, by the unrestrained arms buildup that the United States has undertaken in recent years, on the assumption that by promoting the economic structure of war it can find a solution to the economic crisis affecting the international capitalist system.

The meeting that was held in Managua this week accurately reflected the nonaligned movement's principles. The large number of representatives in attendance shows that newly independent nations are quite attracted to the movement. This is confirmed by the fact that Nicaragua was chosen as the host country, while the Nicaraguan people are waging a great struggle to consolidate their freedom and to secure their chance of constructing a model of fair and just development. This is also shown by the fact that this meeting was held in Central America, one of the centers of conflict in the world.

Consistent with its traditional position, Mexico attended that meeting and expressed singularly clear and open support for the nonaligned movement, with which Mexico has broad and significantly coinciding views in the area of international policy positions. The Mexican representative's speech stressed support for Cuba and for the current president of the movement, Commander Fidel Castro, who, along with other contemporary statesmen, has been a worthy successor to the founders of the nonaligned movement. The speech not only reiterated the traditional principles of Mexico's foreign policy but their application in the context of current needs, especially in the Central American region and in Latin America in general.

For Mexico, the importance of the Managua meeting goes beyond the efforts to find a peaceful solution to Central America's problems, extending to the need to reassess Mexico's relationship with the nonaligned countries. It has long been said that Mexico's position comes so close to the border of alignment that it does not even fall within the nonaligned positions. This amounts more to a play on words than to an expression of principles. Rather than repeating old cliches or formulas, it would be worthwhile to think about the increasing agreement between Mexico's positions and the principles upheld by the nonaligned movement.

## PST APPROVES 'DEMOCRATIC RECONSTRUCTION' PLAN

PA241850 Mexico City UNOMASUNO in Spanish 17 Jan 83 p 3

[Article by Julio Hernandez Lopez]

[Text] Almost 10 years after it was founded, the Workers Socialist Party [PST] agreed at a national leadership meeting that ended last night, to develop a national plan for democratic reconstruction that includes, as its main objective, "winning legal status" through a search for /exemplary/ [slantlines denote boldface] conditions in the operation of party organizations as well as the activity of every member. As of yesterday this even included placing all members "on probation" and "summoning" them to endorse their decisions to join the PST rank and file.

The PST also approved its action program and tactics to be developed to face the country's critical situation. It agreed to promote the strengthening of the National Federation of Insurgent Women [Federacion Nacional de Mujeres Insurgentes] the Agricultural Workers National Union [Union Nacional de Trabajadores Agricolas] and the Workers Socialist Youth [Juventud Socialista de los Trabajadores].

The PST leaders meeting was ended at the national auditorium by PST President Rafael Aguilar Talamantes who, before an audience filling only one-fourth of the auditorium, praised the advances by the PST in its approximately 10 years of existence and pointed out the fact that this is the only party that has not had deviations and indecisions and has not betrayed the people's interests.

Aguilar Talamantes dedicated part of his closing speech to defining the limits within which the PST acts. He reiterated his group's socialist and Marxist-Leninist inclinations, adding that the PST is not "neutral" in internal or external matters and that therefore, he had no objection to expressing his admiration and respect for the USSR and for the example set by the October Revolution.

"We have clearly pinpointed the true enemy of our struggle, U.S. imperialism," said Aguilar Talamantes before a basically peasant audience and a head table at which the main guests were USSR Embassy counselor (Gregory Taralenko) and Juan Vargas Puebla, member of the Chilean Communist Party.

In ending his speech Aguilar Talamantes affirmed that in the PST's struggle it is convinced "that we are not alone, because the working class and the people of Mexico will always be with us and we are sure that we will have the understanding of our brothers in struggle of the socialist, communist and revolutionary parties of Latin America and the world."

With the slogan "10 years of struggle and a shiny future" and with the classification for 1983 as "the year of our tenth anniversary," the national leadership meeting approved its national plan for democratic reconstruction--which "does not mean to destroy, erase or discredit what we have already achieved in more than 9 years of work. Democratic reconstruction is, for all members of the party, a battle to become exemplary members and achieve exemplary operation of our organizations--that is, to win legal status."

Another part of the plan states, regarding reconstruction, that "it is better to have a good sympathizer or a close friend of the party than a forced or inappropriate member who in the long run will become a nuisance." In view of this, "as of the fifth meeting of the Central Committee (which also ended yesterday) all members of the party are summoned to endorse their decision of joining a rank and file organization." Three ways for doing this were established by which "all members will enter a probation period in which fulfilling obligations and tasks as well as assimilating and enforcing basic documents will be the only endorsement of our quality as PST members."

To fulfill the proposed objectives, the PST will hold a meeting to discuss and become familiar with basic documents, a national conference to discuss the program (in February), the seventh national conference on organization, achievements and programming (March), state assemblies on reconstruction (April), and, in June, the leaders national council, which will be "formed strictly within the regulations."

CSO: 3248/484

## REYES HEROLES DEFENDS DE LA MADRID POLICY

PA252356 Mexico City UNOMASUNO in Spanish 16 Jan 83 pp 1, 4

[Speech by Mexican Public Education Secretary Jesus Reyes Heróles, speaking as President Miguel de la Madrid's representative at a ceremony at which Puebla Governor Guillermo Jiménez Morales delivered his second state of government report; place and date not given]

[Excerpts] Corruption in Mexico has reached inconceivable levels. It is not occasional, temporary or unusual; it tends to become the norm and the nation's resources, which are being diverted as a result of this corruption, are having no effect on our meager capacity for development and improvement.

Well then, it is urgent that we create national capital, for the very purpose of overcoming the crisis. Banking is not wealth; it is the administration of the wealth that exists. It can be an instrument for the formation of capital, but it does not create and certainly does not invent it. It is an apparatus for financial mediation; it pays interest to those who have capital and charges those who need credit. The establishment of national credit associations is intended to generate capital--which the country avidly needs--by modern means. The intention is to save the nationalization process within the harsh realities in which we live. The nationalization of banking took place suddenly. The consolidation of this nationalization has to be a holistic process. If the nationalization of oil, which was not a sudden act, required so much time to be consolidated, it is obvious that the nationalization of banking requires time and that it will not be easy, just as it was not easy with the oil industry.

President De la Madrid's government has an overall concept of Mexico's present and future society that requires that we put an end to patching, darning and the application of homeopathic doses in the face of a crisis that demands real surgery. With revolutionary truth, it outlined problems and methods for solving these problems radically by going to the very roots of the distortions, degeneration and excrecencies. We have no alternative: either we do what we must, or we lose the capacity to act. Let us act, so that we do not become the slaves of iron like necessity.

Austerity is not sadness or pessimism. In the economic area, one must do more with less--as President De la Madrid says, one must spend more wisely instead of more. We have to give up the illusionary optimism that has frequently invaded us, leading us to enervating hallucinations. Let us also avoid the pessimism that leads to desertion, abandonment, omission and the failure to act.

Crises, by amassing problems and bringing them fully to light, permit us to find overall solutions and force us to break down taboos. Crises expand the ability to act that is common to mankind when guided by hope.

Beneath these measures, serving as their basis and support, is the principle of the moral renovation of society. The ruler of Mexico, in order to show integrity--and integrity is more than just honesty--must place himself within the objectivity of the law and avoid being generously subjective toward some and implacable toward others. The ruler must not, in the exercise of power, openly or covertly protect violators of the law or use the power of discretion in order to apply the law severely to his enemies while pardoning friends or relatives.

To morally renovate society means to render morality, a pillar of Mexican society in personal, political, social and governmental dealings. Moral renovation of society means to realize that there is national dignity only when there is morality of individuals, groups and organizations; that there is dignity only when the society as a whole practices morality. Let us start with an ethical concept of society, one that is free of extravagant and crude puritanism.

CSO: 3248/484



## BRIEFS

REASSIGNMENTS, AIR FORCE MODERNIZATION--Mexico City, 28 Jan (NOTIMEX)--The Secretariat of National Defense has reported that the Mexican Air Force will replace its fleet of U.S. AT-6 planes with modern Mudry CAP-10 aircraft acquired recently. This will be done at a ceremony to be held in Zapopan, Jalisco, on 19 February. National Defense Secretary Juan Arevalo Gardoqui explained that at the ceremony, which will be attended by President Miguel de la Madrid Hurtado, the Secretariat will also make four important changes in the hierarchy of the armed forces. He disclosed that according to the rotation of commands policy established in the Mexican Army and Air Force, the following changes were made: Gen Hector Vicente Ahuja Fuster was appointed commander of the Air Force General Staff and Col Delfino Mario Palmerin Cordero was appointed acting commander of the paratroopers. In addition, Division Gen Enrique Cervantes Aguirre was appointed commander of the 33d military zone in Tuxtla Gutierrez, Chiapas state, and Maj Enrique Lendo Perez was confirmed in his post as general director of the Bank of the Army, Air Force and Navy. [Text] [FL281934 Mexico City NOTIMEX in Spanish 1628 GMT 28 Jan 83]

SOVIET ENVOY ON BORDER--Mexico City, 2 Feb (NOTIMEX)--Rostislav Sergeyev, Soviet ambassador to Mexico, said that world conflicts, among them the Guatemalan invasions of Mexico, should be settled through diplomatic channels. Interviewed following a meeting he held with Mexico's Foreign Secretary Bernardo Sepulveda Amor, the Soviet diplomat said there is a good atmosphere in relations with the new officials of President Miguel de la Madrid. The ambassador said his government fights in international forums so that conflicts in different parts of the world be resolved through negotiations and not through arms. Among the conflicts he noted were: Guatemalan troops invasions of Mexico; instability in the Middle East; territorial claims between Afghanistan and Pakistan; problems between Vietnam and China over their bordering areas; and the tense situation in Central America, made worse by the U.S.-Honduran joint maneuvers. [Text] [FLO30030 Mexico City NOTIMEX in Spanish 2344 GMT 2 Feb 83]

PRI SUPPORT FOR KOREANS--Mexico City, 21 Jan (NOTIMEX)--The Institutional Revolutionary Party [PRI] opposes all hegemonies and defends the principles of non-intervention and self-determination of the peoples, a leader of that political organization asserted today. During a visit to the congress by

[North] Korean ambassador to Mexico (Pak Yong-se), the director general of the PRI's Institute of Economic, Political and Social Studies, Angel Aceves Saucedo, said Mexico's ruling party, as the Mexican people, identifies with the struggles of the Korean people. The Korean diplomat conveyed greetings to Humberto Lugo Gil, chairman of the Grand Committee of the Chamber of Deputies, from Kim Il-song, secretary general of the Korean Workers' Party. During his visit the ambassador was accompanied by the lower chamber's foreign relations committee, led by Luis Danton Rodriguez. The Korean visitor said he will make every effort to strengthen relations between his country's ruling party and the PRI. [Text] [FL221141 Mexico City NOTIMEX in Spanish 0145 GMT 22 Jan 83]

CSO: 3248/483

## ASSESSMENT OF POLITICAL PARTIES' VOTER STRENGTH

Lima CARETAS in Spanish 10 Jan 83 p 38

[Text] In October, the month of earthquakes and miracles, the sensitive seismograph of public opinion polls was already indicating that the election of Alan Garcia as secretary general of the American Revolutionary Popular Alliance (APRA) had launched a kind of resurrection of his party in Lima. According to the Datum survey for that month (see CARETAS 725), APRA's 20.5 percent sent it from third to first place in the list of preferences, with Popular Action following 3 points behind.

During that same month, Datum asked 2,097 people over the age of 18 in nine cities in the country, and 400 in Greater Lima, which party or political group they would vote for if the municipal elections were held tomorrow. The results merely confirmed the strengthening trend APRA has experienced in Lima and in the provinces. In nine cities surveyed, APRA appeared to have high ratings in Trujillo (44.2 percent), Iquitos (42.4), Chimbote (36.9), Chiclayo (24.6), and Huancayo (15.9). In Lima it was preferred by 21.2 percent of those surveyed, only 1.6 points away from the Popular Christian Party (PPC), whose 22.8 percent rating reflected its defense of its apparent bastion. Popular Action (AP) came out on top in Piura-Sullana (25 percent) and Pucallpa (29.3), and in Cusco it tied for first place with the Left, with 19 percent. In volcanic Arequipa, the Left held onto its lead with 26.2 percent, followed by APRA and PPC, with 19.2 percent each.

Considering the population density of the cities surveyed, as well as their distribution in Peru's difficult geography, the results obtained there could be considered a very significant nationwide sampling, especially when compared and analyzed in relation to the figures yielded in those same districts in the first municipal elections in 1980. (See map.)

But last December, Datum asked once again, this time just to Lima residents, which party they would vote for in the upcoming municipal elections. APRA then jumped into the lead, with 24.5 percent of the preferences, replacing the PPC. The latter's 18 percent rating was far below the 22.8 percent it had garnered in October. And these were not the only surprises: AP, which in October had been at 15.4 percent, jumped up to 20.3 percent in December. This is undoubtedly a result of Mayor Eduardo Orrego's improved image, attributable to, among other things, the timely completion and operation of the

remodeling project for the traditional Union Avenue. Since Orrego is still viable until November, his performance may help improve his party's position in the surveys . . . and at the polls.

In light of these surveys, one might predict an APRA victory in Lima for the first time. But men are also very important in any election, and APRA's problem is that it does not have an influential candidate for the capital. As in previous times, it is looking for a "good neighbor" (see interview with Alan Garcia), while the PPC has already put forth Richard Amiel and AP is making overtures to the independent minister of labor, Alfonso Grados. The Left is in the same situation as APRA. It was another loser in the December poll, having dropped from 11 percent in October to 8 percent last month. APRA's situation will become even more complicated if President Belaunde manages to convince Bedoya to make the parties have a single slate in the November elections. The Toucan said no at first, but in politics one never knows.

Political Group or Party  
Voters Would Favor  
In Upcoming Lima Mayoral Elections

|                                   | Total | SEX   |      | AGE   |      | SOCIAL CLASS |      |      |
|-----------------------------------|-------|-------|------|-------|------|--------------|------|------|
|                                   |       | Masc. | Fem. | 18/34 | 35/+ | I            | II   | III  |
| APRA                              | 24.5  | 23.8  | 25.0 | 27.5  | 20.0 | 24.5         | 24.2 | 25.0 |
| AP                                | 20.3  | 15.1  | 24.1 | 19.2  | 21.9 | 18.4         | 24.2 | 17.3 |
| PPC                               | 18.0  | 17.4  | 18.4 | 18.8  | 16.9 | 26.5         | 16.1 | 8.7  |
| LEFT (IU, UDP,<br>PRT, UNIR. . .) | 8.0   | 12.2  | 4.8  | 9.2   | 6.3  | 6.1          | 6.7  | 12.5 |
| FADIN                             | 1.0   | 1.7   | 0.4  | 1.3   | 0.6  | 1.4          | —    | 1.9  |
| NONE                              | 6.3   | 5.8   | 6.6  | 4.6   | 8.8  | 4.1          | 6.7  | 8.7  |
| OTHERS                            | 1.3   | 1.2   | 1.3  | 0.8   | 1.9  | 2.0          | 0.7  | 1.0  |
| DON'T KNOW/<br>NO ANSWER          | 20.6  | 22.8  | 19.4 | 18.6  | 23.6 | 17.0         | 21.4 | 24.9 |
| TOTAL                             | 100.0 | o/o   |      |       |      |              |      |      |

8926

ISO: 3348/186

## U.S. FOREIGN TRADE POLICY ON TEXTILES SCORED

Lima LA PRENSA in Spanish 18 Jan 83 p 10

[Editorial]

[Text] As the day approaches when the U.S. Commerce Department will make its final decision, and drastic restrictions on our textile exports become foreseeable, the controversy intensifies and concern deepens.

The latest news means that some 7,000 workers could be put out in the street if compensatory duties are applied to increase the tariff on our products to more than 50 percent. This comes in addition to the failure to take advantage of investment resources and the impending threat of insolvency for many businesses.

At this point it is impossible to ignore the obvious contradiction in U.S. government policy. As our minister of industry so correctly pointed out, while on the one hand President Reagan is proclaiming the elimination of barriers and the State Department maintains ties of courtesy and cooperation with Peru, on the other hand the Commerce Department has no qualms about giving in to the pressures of vested interests that want to modify the verdict rendered by consumers in accepting Peruvian textiles.

This also corroborates a suspicion: that since it took office, the Republican administration has abandoned the canons of economic liberalism that it claimed to uphold and that its enemies persistently attributed to it. No intelligent observer can now doubt that the Reagan administration has nothing liberal about it, just like Pinochet's Chile and the various Argentine governments.

The liberal tradition, on the contrary, pays tribute to free trade, and cannot but repudiate restrictive practices which, on the pretext of protecting some producers, simply leave consumers unprotected.

In reality, the problem of compensatory duties should be regarded from an eminently practical standpoint, without the passions of ideology or the barriers of obfuscation. However, this problem cannot be dealt with without reflection, without looking at just its immediate effects, ignoring the more distant ones.

So far the various business associations directly involved in negotiations and problems have not been able to agree on a single proposal.

While the Society of Industries advocates signing the Subsidy Code of the General Agreement on Trade and Tariffs (GATT), the Exporters Association and some other institutions disagree, proposing instead that imports be rationalized to the benefit of local industry, and that competition be promoted within the processes of regional integration.

Bearing this in mind, it is unfortunate that there is no unanimity that would be able to directly confront the U.S. plans to restrict our exports to that country.

The severity of the problem, however, should open our eyes enough to reveal that when a government, any government, abandons its neutrality and becomes the instrument of a few, to reflect the interests of one sector and ignore those of the majority--in this case it is evident that American consumers were increasingly attracted to the quality and prices of our textile products--unforeseeably devastating effects can result.

Certainly the Commerce Department has not thought about the thousands of people who could be left in the street because of its decision that it has the power to correct the market and overrule the desires of its citizens. Certainly it has not even imagined the repercussions this could have on our weakened economy. Certainly it thinks it can limit our access to its market without our suffering severe damage.

Such a philosophy, besides overlooking the most elementary principles of international cooperation, assumes that in the United States it is all right to preach one thing and do another.

Contrary to the assumptions of the apologists for socialism, it is not the market or free will that have decided to exclude us or to punish us with renewed tariffs. It is states, governments subject to the dictates of small oligarchies, that arrogantly think it is within their power to correct decisions made by individuals.

Herbert Spencer said once that regulatory profusion had turned protectionism into "aggressionism." It is sad to see that after so many years, this "aggressionism" has multiplied around us.

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## AYACUCHO SITUATION, GUERRILLA TACTICS VIEWED

Lima EQUIS X in Spanish 10 Jan 83 pp 4-16

[Article by Julio Cesar Gaitan]

[Excerpts] The strategy of the "Sendero Luminoso" [Shining Path] called for a series of assassinations of authorities at the end of the year, murders which all Peru has repudiated with horror. The guerrillas also calculated, however, that such acts would bring about the intervention of the Army at this time.

For that reason, between October and early December all the delegates from villages or districts and the "militia" chiefs were assembled to be given instructions about what to do when the imminent Army intervention took place. The "militias" are made up of non-guerrilla peasants who are in charge of the "self-defense" of their towns, and of participating as troops in large-scale actions when called. The chief of the local militia is usually the real authority of the town.

There have been meetings of this type, each with an average attendance of about 100 people, in Minascucho, 70 kilometers from Ayacucho; in Chacari, province of Cangallo; and near Sarhua, in the province of Victor Fajardo. Abimael Guzman himself made an appearance at some of them.

After the troop and materiel movements of the last days of the year, the Army began to act at 0000 hours on Sunday, 2 January, to meet its previously established objectives.

One day earlier, on Saturday 1 January, the vice-mayor of Ayacucho, Raul Tapahuasco, had been assassinated.

On New Year's Eve, Friday 31 December, Abimael Guzman was seen speaking at a large peasant rally in the town of Carapo in the province of Victor Fajardo.

The rally was not a complete surprise. Beginning in November, every 3 or 4 days several columns of guerrillas would parade through Carapo and neighboring towns, one after another. They would stop and talk to the peasants extensively about their leader, Abimael Guzman, or "Comrade Gonzalo." They

would also translate into Quechua the pamphlet called "Let Us Develop the Guerrilla War."

Then came the day when "Gonzalo" arrived. The bells pealed and all the residents of the sector of Carapo gathered with intense curiosity. Abimael Guzman told them that he had been delayed in coming there by the obligations of the armed struggle and by illness. He indicated that he was now completely recovered from his ailment, and that he was rejoining the armed struggle at full force, now that the struggle was entering a new, decisive stage.

Then he gave a series of practical instructions: guard the roads from the hills; hide as soon as airplanes fly over; do not answer questions from any strangers, even if they are not in uniform; prepare food periodically for the guerrillas, so that they can pick it up at a previously arranged place; as soon as Army troops or the "dogs of Belaunde" ("sinchis") are observed to arrive, flee to the most inaccessible ravines until the "invaders" get tired and leave. . .

Abimael Guzman spent that night in the town church of Carapo. At dawn the next day he left with his companions. Carapo is located 178 kilometers to the southeast of the city of Ayacucho.

In the province of Victor Fajardo the Senderistas have established deep roots in the population. The peasants proudly call themselves "red." This is primarily true of not only Carapo, but also Huancaraylla, Llusita, Sarhua, Tomanga, Huambo and Allcamenca.

It is no coincidence that the Senderistas are interested in establishing a foothold in Victor Fajardo. Here there are inaccessible places, surrounded by ravines or special paths suitable for ambushes. One of Sendero Luminoso's strongest operational bases is reportedly located in the Piquimachay hills. Moreover, this is not peculiar to Victor Fajardo. In nearly all of the department of Ayacucho, Huancavelica and Apurimac, there are very remote places where the Senderistas have set up bases of operations.

The population of this vast territory, consisting of extremely poor peasants, consciously and emotionally supports Sendero Luminoso, a guerrilla movement with which the peasants have literally blood ties, to describe it with a term that says it all. We cannot hide this fact, because it is simply the truth.

The peasants have internalized and adopted as their own the Senderista preachings against poverty, official neglect and exploitation, whose existence no one can deny. And in every small town an average of 10 to 20 youths have joined the guerrillas, with the consent and support of their parents and relatives. When a guerrilla column must halt in a given town, it therefore has several safe houses where it can stay. Periodically guerrilla columns pass through various tiny villages. The guerrillas install themselves in a house, give instructions, and meet with their contacts. One of their routine tasks in such cases is to provide news about the

guerrillas from that place to their respective relatives, who approach the house where the column is staying, not just to obtain information about their loved ones but also to deliver food and clothing for their children and for the guerrillas in general.

The newspapers' assertion that the guerrillas have withdrawn to the jungle area of San Francisco, on the Apurimac River, is not true. The guerrillas are at their operational bases, the militiamen in their towns. What is true, according to reliable sources, is that in that jungle area the Senderista guerrillas have an escape route for cases of extreme emergency. Beyond San Francisco, to the east, in the middle of the jungle, is reputed to be Sendero Luminoso's primary sanctuary.

On 27 December, according to reliable sources, a launch bringing weapons from Colombia sank in the Palmapampa sector, in the turbulent waters of the Apurimac River. Killed were the owner of the launch and two men, described as "drug traffickers" by the police, as well as eight passengers accused of being Senderistas. The "sinchis" supposedly salvaged some of the weapons, which were quite modern.

Not far from there, near Santa Rosa, in the sector of San Francisco, is the place where a detachment of soldiers from the Air Transport Division that was going to take over a strategic point, was reportedly ambushed on Sunday the second. The battle was said to be bloody on both sides. The Army command in that zone refused to give information about the matter, which indicates that the result of the encounter was not favorable to its forces.

Nor was there any official information about another ambush, but in that case the ambushers were "sinchis" who had been sent for that purpose by the Army command, and the ambushees were an important group of Senderista guerrillas. The attack supposedly occurred on the second as well, in the area of Chachacc, 22 kilometers from Huamanga, on the Via de los Libertadores. A group of 35 Senderistas was traveling in a sky-blue truck that they had "expropriated" in the town of Vinchos. When they were ambushed, the guerrillas threw themselves on the ground and fled in different directions, while firing their weapons to cover their retreat. As a result of that action, three "sinchis" and 11 guerrillas supposedly died. This was reported to be the first military defeat for the Senderistas in the war.

Those who were traveling in the truck were apparently the majority of the group commanded by "Comrade Carla," who a day earlier, with a smaller group, had reportedly been sent to assassinate the vice-mayor of Huamanga.

In the near future, new armed actions of this kind will take place frequently, with varying results, because the guerrillas will continue to carry out their plans, launching "hit and run" attacks.

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## BRIEFS

NEW CNO--In a ceremony held on the deck of the flagship of the Peruvian Squadron, the "Almirante Grau," Vice-Admiral Geronimo Cafferata Marazzi was recently recognized as General Commander of Naval Operations. The General Commander of the Navy, Vice-Admiral Ricardo Zevallos Newton, presided over the presentation ceremony, which was attended by the admirals and commanders of the Surface Force, the Submarine Force and the Special Operations Force, as well as superior officers and commanders of the units and offices under the jurisdiction of the Naval Operations Command. All paid their respects to the new commander. Before taking over his new duties, Vice-Admiral Geronimo Cafferata Marazzi was chief of the Secretariat of National Defense, an agency which serves under the Office of the President of the Republic. He is assuming this important post on orders from his naval superiors. Among the posts he has held during his 32-year career as a Peruvian naval officer are general commander of the Callao Naval Base and commander of the Second Naval Zone. He was also director general of economics for the Navy; commander of the flagship "Grau" and commissioner of that vessel; commander of the flagship "Guise!"; commander of the Destroyer Flotilla; and commander of the flagship "Amazonas." [Text] [Lima EL COMERCIO in Spanish 15 Jan 83 p A-6] 8926

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## BRITISH PRIME MINISTER'S VISIT TO FALKLAND ISLANDS DISCUSSED

## Motives for Visit Questioned

Montevideo EL PAIS in Spanish 13 Jan 83 p 6

[Editorial by Washington Beltran: "Shades of Talleyrand!"]

[Text] When Talleyrand learned that the Duke of Enghien had been shot in the moat of the Chateau de Vincennes on Napoleon's orders, it is said that he made this comment on that deliberate crime: "This was worse than an assassination: it was an error."

We recall this anecdote in connection with the visit paid by British Prime Minister Margaret Thatcher to the Malvinas Islands. Paraphrasing the philosophical statement by the Bishop of Autun, one can say that this visit to the central archipelago was something more serious than a provocation or a challenge: it was a blunder.

The fact that we have devoted some editorials to the subject does not of course exhaust it. For its nature is described not only by the fact that rarely has awkwardness reached such a peak, but also because we are well aware of the consequences.

As in social coexistence, certain types of conduct are more insulting and provoke a more intense reaction because of the mental attitude on the part of the acting party which they reflect than because of their physical results. A slap can be more offensive than a blow from a fist. A caustic joke lasts longer in memory than a shove which knocks one down. An unequal confrontation is not as wounding as a hurtful rebuff. In the life of a people, a defeat may be less humiliating than treatment characterized by haughty contempt. The adverse effects caused by weapons can be reconciled with a country's honor and dignity, national assets which are threatened by the onslaughts of conceit.

On the problem of the Malvinas Islands, Latin America is indestructibly united. Its governments are united. But what is of greater interest is that its peoples are, too. It is a cause which, although Argentine, is supported with fraternal fervor by all of the flags on the continent. This is because all titles, credentials and rights are on our side, because any effort to maintain or revive colonialism is rejected by the nation, by the region, by the world.

There is today no armed conflict, which we censured at its beginning because it could only kindle the passions aroused by the violation of clear international norms. Now there is peace, and the strategy of guns must now yield to the will to negotiate, as determined by the UN. Now strength must allow space for reason to function. And it is under these circumstances that this visit has occurred--one with no precedent in the 150 years of British domination. This was a visit planned in studied secrecy. Preparations for it and the trip itself were characterized by an impenetrable wall of silence--silence which surrounded it but did not prevent a whole series of hostile security precautions, culminating in a furtive arrival in an inhospitable land.

What was the reason for this landing in the Falkland Islands, forgotten until the recent past? We do not believe it was any profound love for the "kelpers," who for a long period of time were neglected and relegated to a secondary role in the possession and exercise of citizens' rights and in the attention paid to them by the authorities. Was it to honor those who fell? There were casualties on both sides. England has already rendered its homage to its fallen soldiers on its northern island territory. To dramatize it today at what was the scene of the battle and continues in international thinking to be a zone of dispute does not serve to calm the mind with proper recollection, but stirs up the ashes to revive the irritating embers.

Many of her compatriots harshly criticize Mrs. Thatcher and believe that the purpose of her voyage was to develop support at home. The voyage made might be an excellent electoral launching pad. From this viewpoint, flattering the national feeling of pride might yield dividends.

But at a very heavy price. This gratuitous insolence has upset and infuriated this continent, aggravated by the fact that the relative impermanence of our government leaders is such that their errors compromise and dog the footsteps of the nation which installed them and entrusted representation of it to them more than it harms them.

Although we are far from integration, not even political but economic or at least cultural, the Latin American peoples, united by their origins, are clearing away the cobwebs which prevent them from seeing their common destiny. Faced with certain problems, we see a united feeling developing. This issue, that of the Malvinas, is one of those problems. And it is this feeling which has been attacked.

Public opinion is playing a daily more intensive role. It is the feelings of all of these peoples which have been violated. And these popular traumas leave scars which their government leaders will have to deal with.

However, the judgmental attitude is not the only regrettable aspect of this whole episode. The frivolous commentaries by President Reagan add another negative note to the already mistrustful and vulnerable spirit of Latin America, which is moving increasingly with every passing day toward mapping out its future by itself.



## Adverse Effects

Montevideo LA MANANA in Spanish 12 Jan 83 p 6

[Editorial: "Mrs. Thatcher's Trip to the Malvinas"]

[Text] Margaret Thatcher has every right to make a triumphal tour of the Malvinas Islands, which British soldiers won back last winter. War is war, as they say, and only the winners have rights. When Argentina invaded the archipelago it knew the risks it was taking, and therefore it has no right to complain now.

These are roughly the arguments put forth by the supporters of the controversial trip made by Mrs. Thatcher to the South Atlantic. Theirs is iron logic. In this connection, the only possible response for the Argentines is to react to this blow with another, still more spectacular and dramatic, if possible. This, in brief, is the logic of war.

Events and emotions, rather than rights and reason.

Throughout this century, conduct of this sort has provoked the most cruel wars in history. Stirring up nationalist flames with histrionic gestures and demonstrating consistent intransigence--these are the methods certain to arouse hatred and desires for vengeance. The calm of dialogue, patient negotiations, respect for the decisions of international bodies--this is diametrically opposite conduct, and that which we urge because it leads to what should be the greatest goal: peace.

Dialogue, negotiation and observance of UN resolutions are what is expected of both Argentina and Great Britain, each in turn. Neither former president Galtieri, yesterday, nor Mrs. Thatcher, today, has adopted this position. Both in turn have opted for supposedly heroic gestures with domestic political circumstances in their respective countries mainly in view.

Today, one of the protagonists in that conflict no longer occupies any official post in his country. Linked with the logic of war, he could no longer keep his place once it was lost. His one-time rival remains in office. With this trip, which must be termed untimely at the very least, the prime minister has demonstrated that she has not yet taken off her battle helmet, and that she continues to pursue the line of events and emotions.

She is even forgetting a principle of her nation's generals, which is nobility in triumph. She continues to rely on intransigence, perhaps because the domestic policy of her country brings her the greatest returns there.

We insist that conduct of this nature is the very negation of peace. If it continues, it will inevitably provoke a new desire for revenge. Therefore, those of us who are observers, who are third parties in this dispute, are obliged to urge a policy of good sense, which is that of dialogue and negotiation. This is the best way of warding off the specter of war in the South Atlantic.

## ECONOMY MINISTER REVEALS TERMS OF AGREEMENT WITH IMF

Montevideo EL DIA in Spanish 14 Jan 83 p 5

[Text] Minister of Economy and Finance Walter Aznarez Luciardo stated last night that the economic program planned by the government for the period between January 1983 and February 1985 has as its main goals "the establishment of a tenable balance of payments situation in the medium time range; renewal of growth in production and thus in employment; and a return to price stability, after adjustments resulting from the recent floating of the peso."

The minister said that an effort will be made to offset "the fiscal deficit, gradually and in large part." This deficit, by 31 December of last year, had "come to represent 9 percent of the gross domestic product." He said that "the government proposes to reduce it to 2 percent by the first quarter of 1985."

The complete text of the address delivered last night by the minister follows.

"The executive branch wants on this occasion to inform the Uruguayan community of the main aspects of the economic program which will be carried out between the first of January 1983 and 28 February 1985.

This program is the result of the measures announced on 26 November 1982, when a system for floating the peso replaced the exchange schedule. Between that time and today, practically all of the supplementary measures announced on that occasion have in practice been adopted.

The program, which could be defined as one of adjustment and recovery, is designed to correct the present imbalances, especially those in the public sector, as soon as possible. But it also represents an attempt to bring about the gradual reactivation of the economy, thus consolidating the positive aspects of the policy pursued from 1974 on.

The main goals of this program are three:

1. Establishment of a balance of payments situation which is tenable in the medium time range.
2. The renewal of growth in production, and thus in employment.

3. A return to price stability, once the adjustments resulting from the recent floating of the peso have been completed.

Where the central government is concerned, the program involves harsh treasury discipline, which has been divided up into quarterly goals to be strictly met, covering the following:

1. Restructuring of all of the income from the foreign and domestic sectors.
2. Allocation of credit exclusively for indispensable expenditures, to which end the implementing units in the central administration will have to be managed with maximal rigor and efficiency.
3. A revision of public investment priorities, both for projects under construction and those being completed.

From the financial point of view, the Ministry of Economy and Finance, the Secretariat of Planning, Coordination and Information (SEPLACODI), and the Central Bank of Uruguay will undertake strict coordination of the funds available to the departments under the central administration, in order to facilitate all of the monetary controls of the Central Bank of Uruguay.

These measures, taken together, will lead to the neutralization, gradually and in large part, of the fiscal deficit which came to 9 percent of the gross domestic product as of 31 December 1982, and which the government has undertaken to reduce to 2 percent by the first quarter of 1985.

Regarding the public sector as a whole now, in other words including the nonfinancial decentralized bodies, there are also quarterly goals similar to those for the central government, which will require that the administrators of these bodies pursue a very different kind of financial and information discipline. The supervision thereof will be the responsibility of the SEPLACODI, working with the Ministry of Economy and Finance.

It is important to stress that the necessary changes will basically involve a savings effort on the part of the public sector, which cannot serve solely to restrict financing sources. A containment of expenditures in relation to current income is necessary in order to avoid new pressures on the foreign and domestic public debt.

On the other hand, this goal imposes a greater responsibility on the private sector. The financing of investment in this sector will, then, necessitate positive private foreign capital contributions.

The containment of overall expenditures should contribute in substantive form to eliminating the commercial deficit in the balance of payments in 1983 and 1984.

Plans call, then, for emphasizing the present trend toward a decline in the trade deficit.

On the other hand, the elimination of the negative impact resulting from the tourist trend last year can be foreseen, and there are already clear indications of it.

As to the foreign debt, the increase to which it was necessary to have recourse in 1982, and which will be repeated this year, means a substantial increase in the payments to be faced in connection with interest.

On the whole, it is hoped that the negative balance in the current account, estimated at almost \$600 million for 1982, will be reduced to less than \$350 million this year. In other words, the economy will make a substantial adjustment effort, requiring little more than a half of the foreign savings needed last year.

This will mean the smallest amount used from such sources since 1978.

With regard to the overall balance of payments goal, what is sought is to limit the loss of the foreign reserves of the Central Bank to no more than \$100 million during 1983, and to achieve a balance in 1984. As a result, it will be necessary to obtain medium and long-term financing to cover the amounts due in the short term on the existing debt, and to cover the current deficit of \$250 million.

The exchange alteration presumes an increase in price level, which will not mean putting a self-nurtured inflationary process in operation. On the contrary, the maintenance of fiscal discipline will make possible a monetary expansion consistent with the increase in prices of about 40 percent for the year 1983.

Where wage policy is concerned, caution is necessary, since following a period of increasing unemployment, it is hoped that the reactivation of the economic apparatus will be reflected mainly in an increase in employment.

Thus the program depends on the necessary sacrifice in the public sector and in a gradual but continuing restructuring in the private sector.

In any case, I want to be very clear about the fact that spectacular results cannot be expected in the short run. On the contrary, in the first quarter of this year and in particular during the first half of it, quite unsatisfactory indications will continue. It is after that period that the first effects sought will begin to be seen.

Put briefly, this is the government program which has been discussed and on which total agreement was reached with the IMF mission which has just left the country.

Support from the Fund, in addition to access to \$400 million in credit, requires assurance that the creditor bank in the country is prepared to reorganize short-term debts such as to contribute to resolving the balance of payment difficulties without affecting Central Bank reserves, as well as allowing the flexible renewal of commercial bank credit lines.

The program involves a commitment, during the time the agreement with the IMF is in effect, not to nationalize deposits, to establish a double-exchange market, nor to impose any other type of restriction in the exchange sector.

These are the main points in the economic program which will be set forth in the letter of intention to be submitted to the IMF shortly."

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## MINISTER DESCRIBES PLANS FOR ECONOMIC RECOVERY

Montevideo EL PAIS in Spanish 4 Jan 83 pp 1, 7

[Interview with Minister of Economy and Finance Walter Aznarez Luciardo on 3 January 1983 in Montevideo]

[Text] Government employees will receive a 15 percent increase as of the first of this month, rather than according to a differential system or by stages, according to Minister of Economy and Finance Walter Aznarez Luciardo, who denied reports to the effect that state employees might be given an increase in several installments.

In a talk he had with journalists following a meeting of the government economic officials yesterday afternoon, the minister stated that no new decisions on the subject of refinancing the debt will be adopted, and he confirmed that a drastic program to reduce the fiscal deficit will be pursued in 1983 and 1984, making it possible to reduce the deficit by 50 percent in comparison to 1982 figures within the coming year.

On the other hand, he denied reports that the state has made special allocations for a state of civil emergency, since that status ceased to exist in July 1972.

The minister said that the regulatory decrees for the law calling for a 15 percent deduction on traditional exports and establishing norms to regulate the payment of indirect taxes on exports were analyzed at the meeting of the economic team. Also discussed was the decree which will establish reference prices for the protection of domestic production.

Minister Luciardo's exchange with newsmen was as follows:

[Question] Mr Minister, the first meeting of the economic team in 1983 has been held. What subjects were analyzed?

[Answer] The subjects discussed included the draft versions of the decree pertaining to deductions, that is to say the decree regulating the law which was approved on 24 December; the decree on the payment of taxes, establishing all of the procedures and the factors to be taken into account in establishing this deduction; and, finally, a decree containing reference prices for the protection of domestic production against unfair trade practices, consistent with the GATT legislation.



These will be the last steps we will take, to supplement the measures promulgated with regard to trade policy. And finally, where the exchange policy is concerned, I repeat what I said when I took office: the ministry supports the decisions and the policy being pursued by the Central Bank of Uruguay, without reservation.

#### No Further Refinancing Measures

[Question] We have heard that various businessmen's associations have asked to meet with you. Have you as yet talked with any of them?

[Answer] In fact, a number of associations have requested a meeting with me, and it is due to scheduling difficulties that I have not been able to see all of them. I have talked with three, during two meetings. First with the Chamber of Commerce, and then with two representatives of the Rural Association and Federation of Uruguay.

In both cases, the problems affecting each sector, and basically the problem of dollar indebtedness, were set forth. The position of the government in this connection was made very clear, to the effect that the decisions already made by the Central Bank are the only ones which will be made. There will be no new decisions in connection with the refinancing of debts. Thus we have a tool which has been approved and is that which must be used by those involved.

[Question] There are other important questions, such as the increase in wages and pensions. What can you tell us about this?

[Answer] You know that I have set myself a rule. I do not discuss subjects under the jurisdiction of other ministries. Therefore, the wage increases in the private sector, as well as matters having to do with social security, will be the subject of a brief subsequent explanation by the minister of labor and social welfare. However, where the public sector is concerned--and this is strictly within the competence of this ministry--I can confirm the 15 percent increase for all government employees beginning on the first of this month, since the executive branch already announced it more than a month ago.

#### Single Increase

[Question] Is there thought of some different system in the public sector?

[Answer] Well, I had occasion to propose a differential system, in other words various forms of implementing the 15 percent increase in time, as a way of improving matters where public finance is concerned. However, the government decided that this was not timely now, since the 28 November statement had been very clear in establishing the increase as of 1 January, and the government did not want to change it, given the certainty with which expectations had been created in this connection. However, for my part personally, I think that the differential increases, or more accurately those deferred in time, continue to be a valid tool which should be considered at some time, but not now.

## The Villain of the Piece

[Question] With regard to the fiscal deficit, what does the government plan to do? Is there some program designed to reduce it?

[Answer] I would say that the fiscal deficit is the villain of the piece.

The great problem we face currently is the tremendous fiscal deficit generated in 1982. But it is, on the one hand, the effect of something, and on the other, the cause of other phenomena. It is the effect of very high public expenditures, and in turn a drop in the income collected as a result of the decline in the level of activity which occurred in 1982. But on the other hand it is the cause of such phenomena as inflation, the loss of international reserves, the need for new measures or incentives of a fiscal nature, which increased tax pressure, something which was already seen throughout 1982. And there must be no further increases in this regard.

We are setting forth a 2-year plan in which we hope to reduce the fiscal deficit drastically in 1983, by more than 50 percent in comparison to 1982, and even more in 1984.

## Defense Without Extra Expenditures

[Question] Certain circles have spoken of the expenditures required by the state of domestic emergency. What is your opinion on this?

[Answer] I am happy you asked this, because in fact I am somewhat surprised by this kind of comment. I was an official in the Ministry of Economy in 1972, and I was quite familiar with the process of this so-called Domestic Order Law, from the administrative point of view and from the point of view of its cost. The Civil War Law was approved in April of 1972, but it was nullified in July of that year. In other words, there was a law passed on 10 July 1972, Law No 14068, which ended the state of domestic emergency. Thus all of the costs to which that situation gave rise occurred in the period between 15 April and 12 July, the date of the promulgation of that law. Currently there is no state of domestic emergency. I would like to make this very clear, to eliminate all doubts, and for this reason, no kinds of costs exist for any such purpose.

[Question] When will the new negotiations with the International Monetary Fund begin, and what do you hope for as a result?

[Answer] As was announced at the proper time, the negotiations with the Fund will resume tomorrow (today) when the mission arrives in Montevideo. What we are attempting to do is to complete all negotiations with that body, negotiations which we regard as of the greatest importance, because they involve the approval or acceptance of the premise that the program we propose is consistent, reasonable and indeed harsh, but reasonable in the end, and also because of the importance of the granting of standby credit, or a standby credit arrangement, as it is also called. This will not only give us access to the resources allocated to us, but will also enable us to go to the

international bank to obtain refinancing for the domestic debt due at an inconvenient time from the point of view of our balance of payments.

#### Strict Discipline

I also want to be very clear about this, and to mention that up until 1981 our foreign debt situation was characterized by very reasonable conditions. Uruguay had the lowest foreign debt ratio to the gross domestic product in the South American hemisphere, demonstrating that there was strict discipline. The situation deteriorated in 1982, but it is precisely this record of discipline Uruguay has and the measures we are now planning to take which, I think, constitute a sufficient guarantee or safeguard, an adequate recommendation on the basis of which Uruguay should obtain this refinancing of its foreign debt, or let us say of that part the profile of which is not entirely desirable.

Other countries are obtaining such financing in rather more difficult and problematical situations than ours. What do I hope for, apart from this? I would say that I hope that our situation would improve substantially by 1985, and I have said that we are speaking of a 2-year program--for 1983 and 1984. Thus it is my hope that by 1985, the economy will no longer reveal the situation of tension we have currently as a result of the fiscal deficit, and that it will allow the adoption then of all the economic policy decisions deemed desirable at that time. Basically, this is what I hope for.

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## TRADE BALANCE FIGURES FOR JANUARY-OCTOBER 1982 RELEASED

Montevideo EL PAIS in Spanish 14 Jan 83 p 8

[Text] In the period between January and October 1982, the Uruguayan trade balance showed a deficit of \$97,134,000, the Central Bank announced yesterday. This figure represents a decline in the deficit figure from the comparable period last year, when the negative balance was \$390,618,000.

In the first 10 months of 1982, our country exported goods worth \$784,276,000, with imports totaling \$881,410,000. Both sales and purchases fell below the 1981 levels, measured in current dollars.

Oil and petroleum byproducts were the largest category in imports, accounting for 43.76 percent of the total purchases made by the country (30.5 percent in 1981), while nontraditional products accounted for 57.6 percent of the export sector total (59.4 percent in 1981).

In its analysis of the export volume, the Central Bank provided figures showing a decline in sales of wool and beef as compared to 1981. In fact, 52,902 tons of wool had been exported up until October 1982 (63,644 in 1981), while the figures for beef were 137,884 tons as compared to 154,739 in 1981.

#### Uruguay's Exports

The Central Bank report provided the following picture of exports between January and October 1982: live animals and animal products, \$239 million, including \$152,154,000 for beef, \$105,313,000 for vegetable products, \$4,929,000 for animal and vegetable fats and oils, \$14,745,000 for food products, beverages and tobacco, \$3,962,000 for mineral products, \$29,576,000 for chemical and related industries products, \$13,349,000 for plastic and artificial resin materials and manufactured goods of natural and synthetic rubber, \$114,682,000 for hides, furs and leather products, \$214,854,000 for textile materials and manufactured goods, \$7,865,000 for shoes and other footwear, \$9,469,000 for goods manufactured of stone and other minerals, glass and ceramic products, \$5,624,000 for common metals and products manufactured from them, \$5,402,000 for electrical materials, apparatus and machinery, \$5,072,000 for transportation equipment, and \$10,314,000 for other categories.

## Uruguay's Imports

Exports from January to October 1982 were as follows: \$32,187,000 for vegetable products, \$2,293,000 for animal and vegetable fats and oils, \$20,483,000 for food products, beverages and tobacco, \$391,697,000 for mineral products, including \$385,738,000 for oil and petroleum byproducts, \$97,855,000 for chemical and related industries products, \$37,481,000 for plastic materials, rubber and its byproducts, \$4,013,000 for hides, furs and leather products, \$15,881,000 for paper and paper products, \$23,143,000 for textile materials and products, \$38,653,000 for common metals and products manufactured from them, \$120,465,000 for electric equipment, apparatus and machines, \$56,957,000 for transportation equipment, \$16,093,000 for optical and medical-surgical instruments and apparatus, and \$24,209,000 for other categories.

5157

CSO: 3348/178

## EDITORIAL SHOWS CONCERN FOR FINANCIAL ENTERPRISES

Caracas EL DIARIO DE CARACAS in Spanish 14 Jan 83 p 6

[Text] New storm clouds loom on the national economic horizon at a time when the case of BTW [Venezuelan Workers Bank] is still burning, and a proposal has been made to extend the budget much higher than the total amount that can be collected to cover spending.

This news, which affects the entire financial sector, was released to the public in the form of advertisements in the press in which financial institutions of great renown and solid reputations offer up to 21 percent for time deposits. Twenty-one percent is the same rate that 2 years ago brought the world to the brink of paralyzation, and was responsible for much of the recession that still refuses to go away.

The financial institutions' offer has a simple explanation. The external lines of credit with which these businesses operate are now expiring, and--surprise!--the international banks are refusing to renew them or extend others. In other words, they are telling Venezuelan financial institutions: Thank you very much, pay up and get lost, good-bye!

As a result, national financial institutions are seeking funds on the domestic market, starved for liquidity, which forces them to offer exorbitant interest rates.

Private talks, held on 20 December between the financial sector and the cabinet ministers, revolved around the "grave situation" in the sector these firms belong to. As a whole, they represent investments of more than 26 billion bolivars. Two days later, documents sent by the Association of Chambers of Commerce and Industry (FEDECAMARAS) to Arturo Sosa, Leopoldo Diaz Bruzual, Hermann Luis Soriano and Gonzalo Garcia Bustillos, described not only the dramatic nature of the situation, but also pointed to the fact that "the government has taken steps to alleviate the situation of commercial and mortgage banking, but none (. . .) has been useful for the sector of the financial enterprises, which has been hardest hit within the general circumstances."

Business sources view with /extreme concern/ [passage enclosed in slantlines printed in boldface] the storm that is brewing without any apparent



attention from the official sector. In any case, since 22 December there have been no signs of any solution by those responsible for the nation's economy, despite the various suggestions put forth.

Concern rises as the majority of financial institutions become increasingly vulnerable. Some predict a possible "domino effect," which would deal a terrible blow to the country's entire financial structure, and would completely destroy what confidence is left in the country. Thus, the astronomic interest rates that the financial enterprises find it necessary to offer are not in any way harbingers of tranquil times; they are evidence that the sector hardest hit by the restriction of liquidity is being pressured by internal and external factors. For international banks to exert pressure is perhaps understandable; but for the national government to strangle financial institutions is much more difficult to comprehend, explain and justify.

8926

CSO: 3348/181

## OPPOSITION PARTIES SEEK MODIFICATION OF CENTRAL BANK LAW

Caracas EL DIARIO DE CARACAS in Spanish 10 Jan 83 p 4

[Text] When the delegated commission of the Congress of the Republic is installed next Wednesday, two important issues, among others, must be considered by the 21 members of that parliamentary organization. In the first place, according to an announcement this week by the president of the Chamber of Deputies, Armando Sanchez Bueno, the country's short-term foreign debt will be studied in terms of its renegotiation. Secondly, the nation's budgetary situation will be analyzed, as a consequence of the extension of the budget in the absence of a bill for spending and revenues for 1983.

As for the first matter, it is hoped that Finance Minister Arturo Sosa will be invited by the commission to provide an explanation of the measures the government plans to take to relieve the country of the burden represented by the commitment to cancel the foreign debt and thus convert it to easier terms. The congressmen may also study the measures the executive branch plans to apply in case problems arise in the search for refinancing.

With regard to the budget issue, it is considered certain that the bicameral finance committee of Congress will be authorized to study the ramifications of passing a budget that would take effect on 1 April. Nevertheless, Democratic Action (AD) and the Movement for Socialism (MAS) want to call special sessions for that purpose, so that they will not have to wait for the regular session to begin next March. If the delegated commission calls those parliamentary sessions during the present recess, however, both parties are in a position to sanction the delayed reform of the Law on the Central Bank of Venezuela (BCV).

The Social Christian Party (COPEI) has objected, through its congressmen and the president of the Congress of the Republic, Godofredo Gonzalez, to the convocation of these special sessions. It has expressed this opposition always with reference to the budgetary matter, not mentioning the bill to reform the BCV Law, a question which the government and its party have discussed with many arguments. Among those arguments is the possibility that the bill could have a negative impact on the stability of the bolivar because of the eventual decline in the country's international reserves. This would happen, according to the official viewpoint, when the financial assets of the BCV fell because of the withholding of foreign currency by the oil industry, the basic objective of the controversial reform.

Apparently MAS and AD, as well as the Democratic Republican Union (URD), all of which advocate guaranteeing Venezuelan Petroleum, Inc. (PDVSA) a certain amount of control over its foreign currency through the legal mechanism obtained through this reform, could muster the simple majority required to call the special sessions.

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